

BUSINESS WEEK

YEAR
AGO

WEEK
AGO

START
OF WAR
1939



Christmas, 1944.

BUSINESS
WEEK
INDEX

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Washington

"Let ~~George~~ do it"

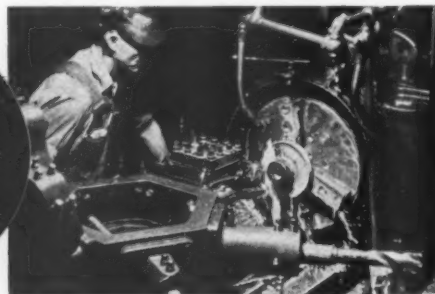
IF one thing more than any other has made America great, has given us the highest standard of living in the world, it is the grand American custom of "paddling your own canoe". It is that manly habit that has led millions of Americans to launch their own businesses, creating millions of better jobs for others. They have added billions to America's wealth and wages—ten thousand times more than any profits they made for themselves.

That sort of thing *does not happen* in nations where the government does the thinking and planning for its people. It is from those countries

that the people are most anxious to escape, to America.

Some Americans have lost their courage; some foreigners in our midst don't want us to regain it. All the more reason for every true American to paddle his own canoe and not "let George do it" for him.

There has never once been a time in America when courage, thrift, hard work did not pay. There has never before been a time when those American traits were so vital as today.



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In war or peace
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FIRST IN RUBBER



From crash pads to fireproof tents

Koroseal is a typical example of B. F. Goodrich development

During the war, tanks banged their crews against steel walls and sharp angles—until sponge rubber crash pads were made, to cover the danger spots. But rubber burns, so B. F. Goodrich developed crash pads of Koroseal—it will not flame even if hit by a shell. Before this and its other war jobs, Koroseal was used to make raincoats and other articles truly waterproof. After the war both these Koroseal qualities will be combined—in fireproof tents, for instance.

That tent in the picture, made for a large automobile manufacturer, can be the forerunner of the circus tents

of the future. They will be made of light fabric chemically treated against fire, and then coated with a thin film of Koroseal that won't wear off and will not burn—fire goes out the minute flame is taken away. The result will be a fireproof tent, lighter and easier to handle because a thinner fabric can be used, and so resistant to wear that the one in the picture has already lasted more than twice as long as any tent its owners had ever been able to find before.

Koroseal is the flexible material developed and made only by B. F. Goodrich. It is proof against acids and grease as well as water; it resists sun,

air, aging and fire. Koroseal can be made in any form or color, or as a thin transparent film on fabrics or paper.

Just a glimpse of future Koroseal uses are wall coverings you can scrub, upholstery you can leave out in the rain, luggage that won't scuff, raincoats you can stuff in a pocket even when wet, baby pants that are really soft and comfortable, bags that keep food fresh for years. *The B. F. Goodrich Company, Koroseal Division, Akron, Ohio.*

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RUBBER and SYNTHETIC products

*"...and someday
a business of
my own."*



Many a man in uniform dreams of the day when he'll open a business of his own. It will be a good thing for this country if most of those dreams come true.

They have a better chance of doing so under Free Enterprise than under any other system in the world.

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BUSINESS WEEK

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The Presidential Line

The most significant political fact in Washington today is President Roosevelt's determination to placate—to get along with—Congress.

The Chief Executive made clear at his press conference this week that he is not gunning for a fight with anybody for any purpose—not for quite a while at least. Repeatedly he made the point that he was not going to be "contentious."

He hardly raised his breath to press for the St. Lawrence waterway project which the Senate killed. He passively signed the social security tax freeze. And his appointments to the State Dept. (BW-Dec.9'44,p111) were definitely right of center, despite his gesture to the left in naming Archibald MacLeish.

Purpose—Appeasement

The purpose of Roosevelt's congressional strategy is clear: He wants to earn and retain the support of a conservative, largely anti-New Deal Senate at all costs in order to insure ratification of the coming peace treaties. This is the president's dominant political motivation today and he indicates that he does not intend to depart appreciably from that line.

Roosevelt's political left wing will lament and protest, but in the last analysis will go along fully with him on the peace. His political right is the least certain source of foreign-policy support. He will not hesitate to placate it.

Health Note

There is little current concern in Washington over the President's health. After his three-week, postelection vacation at Warm Springs, Ga., Roosevelt is looking well. He is slightly heavier; there are fewer deep lines in his face. At his first press conference after his return he was animated, affable, and unusually composed. Incidentally, for whatever reason, he is smoking fewer cigarettes.

Civilian Goods Hopes Wane

WPB's new order, freezing civilian production at present levels, merely dots the i's in War Mobilization Director James F. Byrnes' policy declaration of a few weeks ago (BW-Dec.9'44,p17). Privately, WPB officials say that the

wide publicity given it was in acquiescence to the Army's desire for more psychological warfare on the home front.

Hopes of some WPB officials that the civilian goods freeze could be thawed sufficiently to permit added production of certain highly essential items—refrigerators, electric irons, alarm clocks, etc. (BW-Dec.16'44,p7)—waned this week, however, as the bad news came in from the European theater.

Surplus Board Faces Trouble

Senate approval of President Roosevelt's two nominees for the Surplus Property Board—Edward Heller and Robert A. Hurley—doesn't mean that surplus disposal policies will take shape in a hurry.

The new board (BW-Dec.2'44,p15) now has to take over the disposal operation from William L. Clayton's Surplus War Property Administration, lay out plant disposal programs for submission to Congress, and probably make recommendations for changes in the complicated surplus disposal law. The rough ride that Heller and Hurley got when their names came before the Senate may indicate that they can expect more trouble when they come back to Congress with their disposal plans.

President Roosevelt probably will submit his nomination for the third spot on the board soon after Congress convenes next month. Sen. Guy M. Gillette is still reported to have the inside track, although he has been twisting the Administration's tail lately on international affairs.

F. D. R. Stalks Bigger Game

President Roosevelt signed the bill freezing social security taxes for another year in order to save his ammunition for the big fight over social security that is bound to come eventually, and, in the meantime, avoid antagonizing the Senate, which holds the fate of his international peace policies.

When the enlarged social security program does go through, it probably will mean a complete overhaul of the present system of financing it.

Without the freeze bill, social security payroll taxes would have doubled automatically Jan. 1. Now, they are scheduled to remain at 1% each on employers and employees until Jan. 1, 1946.

Accord Near on Tools

The Foreign Economic Administration is about ready to close an agreement with the British covering sale of U. S. machine tools that have been installed in England under lend-lease (BW-Nov.18'44,p5).

Representatives of both countries have agreed on general principles, are now working out the final details.

The agreement will call for cash payment by the British, based on depreciated reproduction cost. The British will take over all the tools they have received under lend-lease instead of keeping only the ones that they want, but the price on specialized equipment which has no prospect of use after the war is over will be cut almost to a nominal figure.

Byrnes Tightens Hold

War Mobilization Director James F. Byrnes is beginning to assume more direct control of home-front policies. When Byrnes was operating under executive order alone, he was primarily a fixer and feud adjuster. Now that the demobilization act (BW-Oct.7'44,p7) has given him a statutory grant of authority, he is taking a tighter hold on operations.

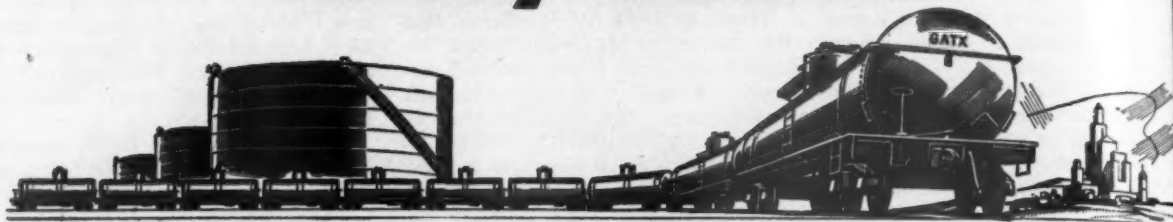
Significantly, Byrnes this week used his authority to overrule OPA price orders for the first time. OPA had planned to scale down tire ceilings this month, eliminating temporary increases previously granted to take care of special costs arising from conversion to synthetics and use of rayon cords. Byrnes decided that the tire production situation was too critical to permit price reductions and ordered OPA to let the ceilings stand.

Phone Panel for NWLB

Telephone workers who went on strike recently (BW-Dec.2'44,p99) had as one of their major grievances lack of representation on the National War Labor Board. Outgrowth of the controversy is NWLB's decision to set up a permanent panel with jurisdiction over the industry.

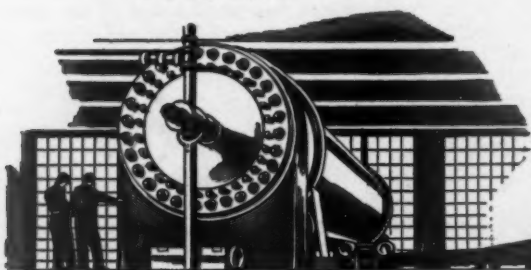
As a panel rather than as a commission, its actions will not be final until reviewed by the national board or possibly by a regional board. The panel originally set up for the newspaper industry was later graduated to the

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1 Long before they are used in candy making, fine vegetable oils must be guarded against contamination. General American terminals, in which such oils are stored, provide the necessary safeguards.

2 Then the oils are shipped in General American tank cars, again thoroughly protected. The cars have specialized features, designed and engineered by General American in cooperation with the food industry.



3 In spotlessly clean modern factories, General American process equipment gives precise control in candy manufacture.

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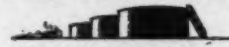
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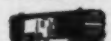
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Process equipment of all kinds



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One of a series of advertisements designed to show General American's contribution to everyday living and our part in the efficiency of American industry during war and peace.

of a commission when it had its discretion.

WLB has not yet defined the precise jurisdictional boundaries as between telephone, telegraph, private telegraphs, and so on. Nor is it clear whether the panel will have jurisdiction in all disputes in so-called voluntary cases, namely where there is an agreement between employer and employees. The panel will be made up of representatives of management, labor, and the public.

Meanwhile, telephone workers continued their war of nerves to hasten action on wage demands. Some 6,000 distance operators in New York, 300 in Kansas City voted to strike, a margin which union officials called overwhelming.

Bomb Sight Cutback Explained

Last summer when one of the toughest of the early cutbacks—outright cancellation of a Norden bombsight contract—hit Elmira, N. Y., there was widespread speculation about why a cutback was made in a relatively loose area (BW—Aug. 5'44,p7).

Preliminary investigation of the contract by the Truman Committee produced a tipoff at the time, and a fuller explanation came this week in the form of Justice Dept. indictments against L. Norden, Inc. (the inventor is no longer associated with the firm), and management engineering firm headed by Comm. John D. Corrigan. The indictments charge that the Norden company failed to give full manufacturing information to Remington-Rand when that company, at the Navy's request, was assigned to operate the Defense Plant Corp. bombsight plant in Elmira. Comm. Corrigan is accused of having advised that policy of having supplied an adverse report on Remington-Rand's operation of the plant, on the strength of which the plant was seized by the government in November, 1943, and placed under the direction of the Norden company.

Queer Coalition

There was never any doubt that the State cabal against the State Dept. appointments—Joseph C. Grew as under secretary, and William L. Clayton, Nelson Rockefeller, Archibald MacLeish, James C. Dunn, and Brig. Gen. Julius Holmes as assistant secretaries—would fall of its own weight.

It was an unnatural and transient coalition, and only when the nominations were being considered en bloc could the conservative critics of MacLeish and the liberal critics of Clayton be joined to create a temporary majority. The majority quickly fell apart when the names were voted on separately.

Air Facility Interchange Urged

The Civil Aeronautics Board's decision this week granting a transcontinental route to a fourth air carrier was tempered by dissenting opinions on the part of two of its members which may presage mergers, or at least interchange policies, among the domestic airlines.

The new cross-country carrier is Northwest Airlines, whose route from Seattle to Minneapolis-St. Paul was extended to New York via Milwaukee and Detroit (BW—Jul. 29'44,p22). At the same time Pennsylvania-Central Airlines was given permission to go on to New York from its former Pittsburgh terminus. Present transcontinentals are United, Transcontinental Western Air, and American.

In separate opinions, L. Welch Pogue, chairman of CAB, and Edward P. Warner, vice-chairman, disagreed with the majority that Northwest and P.C.A. should be granted entry to New York. Pogue held that the two lines should have more time to discuss a merger or other combination. Warner suggested the alternative of an interchange arrangement to permit through flights to be operated over both systems.

Rail Wage Push Begins

The railroad brotherhoods are looking at the concessions won by the C.I.O.'s United Steelworkers (BW—Dec. 2'44,p16) and under the guise of correcting "inequities" are going to push for wage increases. The firemen, conductors, and switchmen started the ball rolling, and it will be picked up by the engineers and trainmen. Meantime, the nonoperating unions are pressing the carriers for extended vacations with pay.

Tire Pinch to Benefit Rails

A greater shift of freight from trucks to rails is in prospect as the Office of Defense Transportation is pushing every practicable means of conservation to counteract the famine in heavy tires.

The shift won't be general, for the rails are congested at many points, but ODT field supervisors are on the alert to throw traffic to the rails, especially where empties are moving in the same direction as trucks.

The pinch on tires, because of the Army's stepped-up requirements, also is putting more pressure on truck operators to pool freight and to register for return loads.

Dewey Keeps in Touch

Gov. Thomas E. Dewey will continue to play an energetic role in national politics.

He's not going to retire to the Albany sidelines. He is keeping himself closely associated with the nonpartisan approach to the peace initiated with Cordell Hull, and he is having his foreign affairs expert, John Foster Dulles, maintain two-way consultation with the Republican members of the Senate Foreign Relations Committee.

Dewey expects to confer periodically with the G.O.P. congressional leaders on policy and he will seek to give national focus to the Republican views by periodically addressing the country.

Gas Hearings Slated

Hearings will start in six weeks in the Federal Power Commission's natural gas investigation, which is intended to incubate federal policy to govern competition between natural gas and coal, and incidentally, between railroads and pipelines.

Labor, coal, and railroad people want the broadest possible inquiry. The American Gas Assn., Independent Natural Gas Assn., and Interior Secretary Harold Ickes—who wants to do the job himself—are opposed to a probe in wartime. Independent gas operators want it done by Congress, if by anybody.

Oil interests regard FPC's move with suspicion. They fear that gas conservation will throw another loop around them.

U. S. Maps Pacific Strategy

One of the major decisions of the Roosevelt-Churchill Quebec conference last September has just been implemented by a carefully detailed arrangement for applying the combined Anglo-American naval power in the Pacific for the final push against Japan. The su-

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preme command will rest with American officers.

The British Pacific fleet will operate as a separate entity—for the present under Adm. Chester W. Nimitz in the Central Pacific and under Gen. Douglas MacArthur in the Southwest Pacific.

Because of the overwhelming concentration of American force in the Pacific, this will continue to be primarily an American war against Japan, with British—and perhaps ultimately—Russian aid.

"Socialized Banking?"

War Food Administrator Marvin Jones will be asked some pointed questions concerning socialized banking next month when he tries to persuade the House Banking & Currency Committee that the Commodity Credit Corp. needs its resources boosted by \$2,000,000,000 to support farm prices against the decline expected after Germany's defeat.

This comes of Jones' appointment of Frank Hancock (formerly a congressman from North Carolina, and member of the House Banking Committee, now head of Farm Security Administration) as the new president of CCC, replacing J. B. Hutson.

Jones' aides say that actually no socialization schemes are afoot, that Hancock has been selected solely to help the CCC expansion through Congress, where he has many friends and is considered as having done a swell job of dispelling antipathy toward FSA.

Just the same, the skeptical bankers in Congress, who look askance at "Farm Security's socialistic bookkeeping," are having to be shown that CCC's new FSA bedfellow is nothing more than a coincidence.

Capital Gains (and Losses)

Oregon Shipbuilding Corp. has but-toned up a contract with the Army to build 2,000 36-ft. riveted aluminum pontoons for use as bridges.

To nudge President Roosevelt into filling numerous vacancies on the federal bench, some lawyers are agitating for a constitutional amendment to provide that if the President does not make an appointment within 30 days after a vacancy occurs, the Senate Judiciary Committee shall make the nomination.

Jet-propelled airplanes have proved themselves so superior, in the opinion of Lt. Gen. Barton K. Yount, chief of the Army Air Forces Training Command, that no other "conventional fighter plane—that is, one with a propeller—will ever be designed."

—Business Week's
Washington Bureau



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THE OUTLOOK

BUSINESS WEEK
DECEMBER 23, 1944



War news this week lends a disturbing note of urgency to the Army's demand for increased production of critical munitions.

The focus inevitably is shifting from what we have to do now to what we may have to do six or nine months from now. This has a sharp impact on civilian as well as war production; the outlook is not encouraging for supplies on the home front.

Congress might even take a hand. Neither national service nor compulsory saving—nor an approach to one or the other—is as remote today as it was just one short week ago.

Casualty lists for November didn't make nice reading; those for December, allowing for the probability of losing a good many men as prisoners in this German drive, presumably will be higher still.

Thus the new draft regulations (BW—Dec. 16'44, p5) take on greater significance than could be read into them when first issued.

Selective Service is preparing to dip more seriously into the group between the ages of 26 and 30 (the 18-26 pool being about dry) to supplement the 60,000 monthly obtained from boys turning 18 years old.

The Army may not be satisfied with the additional 20,000 a month that draft authorities have been talking about. Though obscured by demands for more munitions, this "draft crisis" has been developing for a good while (BW—Oct. 28'44, p9).

Emphasis is on front-line replacements in view of November casualties of 57,775 on Europe's western front alone. The overmanned air and service forces are giving 80,000 men to the infantry.

Moreover, Army is turning men over to critical industries in ever increasing numbers—1,000 to foundries, some 2,000 to tire plants, 1,000 to cotton mills for production of duck, and so on. The total now is 4,700 in 180 shops.

The \$50,000,000 program for new tire-making plants didn't impress rubber men when it was first announced. Now they're not so sure.

Military requirements for truck and bus tires in the first quarter of 1945 are put at 4,941,867 after being pared down by 24%. The industry doesn't expect it will be able to supply more than 3,930,443.

What the Army really would like to have is an additional 1,000,000 a month. That's why WPB plans the \$50,000,000 expansion.

The industry is examining potential plant sites. Many think it would be best to use present plants.

Tire and rubber men expect to get 3,400 more of the very heavy truck tires monthly by pin-pointing production problems. They could boost this highly critical war item 18,000 a month if the manpower were only available.

Here are some of the most urgent manpower needs: Goodyear at Topeka, 400; Akron, 100; Los Angeles, 140; Firestone at Akron, 213; Memphis, 208; Los Angeles, 400; General at Akron, 60; Waco, 400; Goodrich at Miami, 474; Akron, 73; Los Angeles, 116; U. S. Rubber at Los Angeles, 406; Chicopee Falls, 550.

Importation of workers from surplus manpower areas isn't panning out because of overcrowded housing conditions. Quits equal new hirings.

There's no such thing as catching up with a war production program that is

THE OUTLOOK (Continued)

BUSINESS WEEK
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really critical. "Schedule" is the best figure for any month that WPB figures it can attain; what the Army wants always is much more.

This is demonstrated by the case of cotton duck which was pulled up to schedule in November (BW—Dec. 16'44, p9).

Getting on schedule last month didn't begin to erase the deficit in this sharply stepped-up program. That's why the Army has gone ahead and furloughed troops to the textile mills.

The "schedules" probably mean even less in some of the munitions programs that have been increased astronomically—rockets for the Navy and mortars and mortar ammunition for the Army, to name two.

●
Raw materials are causing new concern. Supplies looked so ample a while back that the authorities permitted production to run off. Now we are eating into stockpiles at an alarming rate.

Among the metals, lead is a striking example. Nothing was done for months to check the manpower drain from the mines. Suddenly WPB came face to face with the realization that a shortage might develop.

First idea was to resume allocations (BW—Dec. 9'44, p9). **Now, however, an effort is being made to get more men for the mines.** Producers are asked to file labor requisitions with the U. S. Employment Service.

Copper isn't yet causing much concern, despite the drive for more ammunition for artillery and small arms. **Nevertheless, January consumption probably will jump to 140,000 tons** against recent monthly use of between 125,000 and 130,000 tons.

By way of contrast, Britain still is cutting back on copper (despite last week's "satisfactory" agreement with Canadian producers).

●
What lengthening of the war means to consumer supply is almost too obvious to need emphasis. However, here's an important point. **Stores' stocks of goods are heading for the war's lowest point** (chart, page 20) except for the unnatural bottom during the 1943 clothes-rationing scare.

A new order this week compels tanners of military quality cattle-hide upper **leather** to process all suitable hides for the military.

The pinch in **textiles** will be accentuated by the military set-aside on **woolens**. Meanwhile, the rising **cotton duck** requirements will absorb yarn that otherwise might go into civilian clothing.

The **cigarette** shortage deepens, and **meat** troubles multiply (page 17).

The **metal** shortages will hamper even authorized consumer durables.

Plans to increase **fuel oil** allotments have been dashed and **coal** continues critical. The **firewood** shortage, however, is put at only 4,000,000 cords this winter against a 10,500,000-cord deficiency in 1943-44.

Higher military demands will prolong civilian **tire** shortages.

Publishers' **paper** supplies may have to be cut again in 1945.

●
Spending and saving habits of the people are taking a turn which, if continued, will make the job of controlling inflation all the harder.

Consumers' incomes now are up only slightly (on a seasonally adjusted basis) from early this year, but retail sales are rising at a great rate. With taxes taking much the same bite, **this means less saving.**

This evil will begin to show up in its worst light if people continue to try to spend against growing supply shortages in 1945.

FIGURES OF THE WEEK

| | \$ Latest Week | Preceding Week | Month Ago | 6 Months Ago | Year Ago |
|---------------------------------------|----------------|----------------|-----------|--------------|----------|
| THE INDEX (see chart below) | *231.3 | †230.8 | 230.4 | 234.8 | 238.1 |

PRODUCTION

| | | | | | |
|--|---------|---------|---------|---------|---------|
| Steel Ingot Operations (% of capacity)..... | 96.3 | 96.9 | 95.4 | 97.3 | 93.0 |
| Production of Automobiles and Trucks..... | 21,445 | 20,340 | 20,930 | 18,985 | 18,850 |
| Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands).... | \$4,419 | \$4,740 | \$4,263 | \$5,362 | \$6,178 |
| Electric Power Output (million kilowatt-hours)..... | 4,563 | 4,538 | 4,450 | 4,287 | 4,613 |
| Crude Oil (daily average, 1,000 bbl.)..... | 4,696 | 4,704 | 4,739 | 4,568 | 4,364 |
| Bituminous Coal (daily average, 1,000 tons)..... | 1,988 | 2,006 | 1,945 | 2,088 | 2,257 |

TRADE

| | | | | | |
|---|----------|----------|----------|----------|----------|
| Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars)..... | 82 | 84 | 85 | 81 | 81 |
| All Other Carloadings (daily average, 1,000 cars)..... | 50 | 51 | 59 | 64 | 57 |
| Money in Circulation (Wednesday series, millions)..... | \$25,163 | \$25,107 | \$24,717 | \$22,333 | \$20,235 |
| Department Store Sales (change from same week of preceding year)..... | +22% | +13% | +9% | +2% | None |
| Business Failures (Dun & Bradstreet, number)..... | 33 | 10 | 13 | 30 | 42 |

PRICES (Average for the week)

| | | | | | |
|--|---------|---------|---------|---------|---------|
| Spot Commodity Index (Moody's, Dec. 31, 1931 = 100)..... | 252.4 | 251.1 | 248.3 | 250.1 | 247.1 |
| Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100).. <td>166.3</td> <td>166.2</td> <td>163.3</td> <td>165.3</td> <td>160.7</td> | 166.3 | 166.2 | 163.3 | 165.3 | 160.7 |
| Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100).. <td>222.4</td> <td>223.3</td> <td>220.9</td> <td>224.3</td> <td>218.2</td> | 222.4 | 223.3 | 220.9 | 224.3 | 218.2 |
| †Finished Steel Composite (Steel, ton)..... | \$56.73 | \$56.73 | \$56.73 | \$56.73 | \$56.73 |
| †Scrap Steel Composite (Iron Age, ton)..... | \$19.17 | \$19.17 | \$17.08 | \$19.17 | \$19.17 |
| †Copper (electrolytic, Connecticut Valley, lb.)..... | 12.000¢ | 12.000¢ | 12.000¢ | 12.000¢ | 12.000¢ |
| †Wheat (No. 2, hard winter, Kansas City, bu.)..... | \$1.63 | \$1.61 | \$1.59 | \$1.57 | \$1.63 |
| †Sugar (raw, delivered New York, lb.)..... | 3.75¢ | 3.75¢ | 3.75¢ | 3.74¢ | 3.74¢ |
| Cotton (middling, ten designated markets, lb.)..... | 21.57¢ | 21.52¢ | 21.34¢ | 21.59¢ | 19.75¢ |
| †Wool Tops (New York, lb.)..... | \$1.340 | \$1.340 | \$1.340 | \$1.340 | \$1.296 |
| †Rubber (ribbed smoked sheets, New York, lb.)..... | 22.50¢ | 22.50¢ | 22.50¢ | 22.50¢ | 22.50¢ |

FINANCE

| | | | | | |
|--|-------|-------|-------|-------|-------|
| 90 Stocks, Price Index (Standard & Poor's Corp.)..... | 104.9 | 104.1 | 101.1 | 102.3 | 92.0 |
| Medium Grade Corporate Bond Yield (30 Baa issues, Moody's)..... | 3.48% | 3.50% | 3.53% | 3.59% | 3.82% |
| High Grade Corporate Bond Yield (30 Aaa issues, Moody's)..... | 2.70% | 2.70% | 2.72% | 2.73% | 2.74% |
| Call Loans Renewal Rate, N. Y. Stock Exchange (daily average)..... | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate)..... | 1% | 1% | 1% | 1% | 1-1% |

BANKING (Millions of dollars)

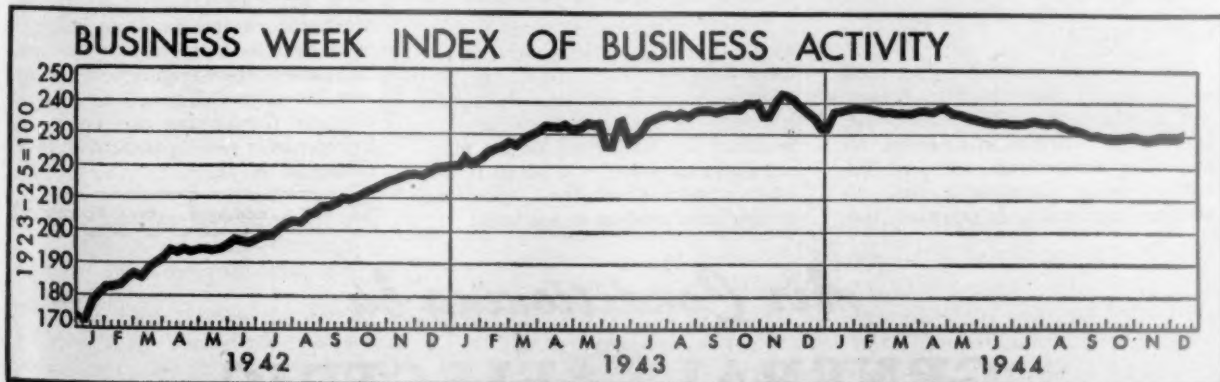
| | | | | | |
|---|--------|--------|--------|--------|--------|
| Demand Deposits Adjusted, reporting member banks..... | 35,867 | 35,824 | 38,417 | 37,229 | 34,750 |
| Total Loans and Investments, reporting member banks..... | 59,524 | 58,603 | 54,043 | 50,405 | 50,509 |
| Commercial and Agricultural Loans, reporting member banks..... | 6,420 | 6,382 | 6,328 | 5,913 | 6,410 |
| Securities Loans, reporting member banks..... | 4,132 | 3,766 | 2,510 | 1,886 | 1,997 |
| U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks.. | 43,551 | 43,066 | 39,883 | 37,259 | 36,722 |
| Other Securities Held, reporting member banks..... | 2,944 | 2,934 | 2,877 | 2,897 | 2,795 |
| Excess Reserves, all member banks (Wednesday series)..... | 1,300 | 1,400 | 1,100 | 1,059 | 1,238 |
| Total Federal Reserve Credit Outstanding (Wednesday series)..... | 19,311 | 19,130 | 18,807 | 15,606 | 11,704 |

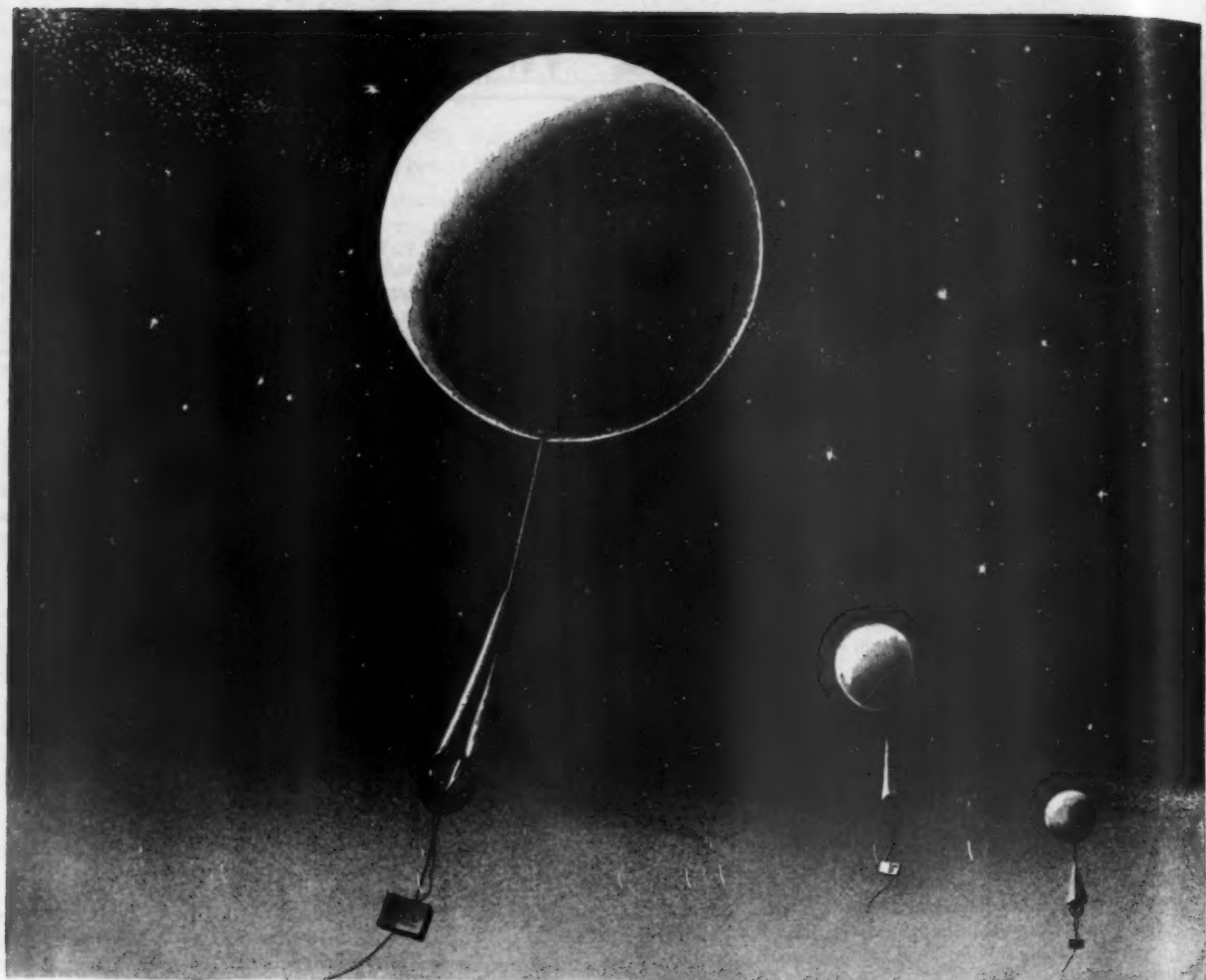
* Preliminary, week ended December 16th.

† Revised.

‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.





FARTHEST FRONTIER OF MANKIND ... 132,000 FEET UP

AT this very moment, men may be getting messages direct from the sky 25 miles above the earth's surface. Scores of "radio-sondes" make nightly balloon ascensions into the stratosphere. One reached the fantastic altitude of 132,000 feet!

The radio-sonde is a compact radio sounding unit, borne aloft by balloon and returning to earth by parachute. It contains delicate instruments for measuring temperature, pressure, humidity, other phenomena vital for weather forecasting. It contains, too,

radio equipment for transmitting this information to receiving sets on the ground.

How would you test the radio-sonde under actual working conditions?

In test chambers, General Electric air conditioning and refrigeration equipment help reproduce the strange, unearthly "weather" of the mid-stratosphere... air of extremely low absolute humidity... with temperatures ranging down to -100° ... air so thin it exerts a pressure less than 1/100 of the atmospheric pressure at sea level!

Creating stratosphere weather was another tough job, another exacting wartime problem for G-E engineers.

In solving many of these problems, we've made air conditioning and refrigeration equipment more compact, more flexible, more efficient—adaptable to the postwar requirements of more users. Investigate! Write: General Electric Co., Air Conditioning and Commercial Refrigeration Divisions, Section 4412, Bloomfield, N. J.

★ BUY... and hold... WAR BONDS ★

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GENERAL  ELECTRIC

Hear the General Electric Radio Programs: The "G-E ALL-GIRL ORCHESTRA," Sundays, 10 p.m., EWT, NBC... "THE WORLD TODAY" News, Every Weekday, 6:45 p.m., EWT, CBS

Setting Postwar Wage Cost

Anticipatory collective bargaining is winning wider acceptance, for employers see in it a chance to make firm bids on future contracts without too much guesswork on labor costs.

Private discussions between union officials and employers concerned with the terms of postwar labor contracts are becoming more common over a wide section of the industrial front. A few firms with specific long-term wage and employee-relations proposals have been, for some time, practically negotiating agreements to become effective when war orders are cleaned up. But within the past month many new quiet conferences have been begun with—almost always—management making the first advances.

Forehandedness Pays—Two main reasons account for the quick spread of these extremely confidential meetings: First, the Roosevelt Administration's continuation in office for another four years is taken as assuring the continuance of present national labor policies. Second, news is beginning to get around that some firms are securing what are considered substantial advances through advance bargaining. Most importantly, a reasonably reliable determination of their postwar wage bill—the big unknown quantity in total postwar production costs—enables them to hazard firm bids on future contracts for civilian goods or parts.

Strict Secrecy—No business executive or labor leader will permit any identification or attribution in connection with what he is doing along these lines. Complete secrecy is considered essential to the fruitfulness of these negotiations.

It seems clear that some deals are being made which, by National War Labor Board standards prohibiting agreements on postwar compensation adjustments, are at least technically in violation of wage stabilization regulations. Employers feel that compelling competitive reasons exist for keeping such activities off the record. Labor leaders feel that they may be ahead of their membership in making commitments; hence they, too, participate only on a confidential basis.

Behind the Veil—Despite the determined hush-hush atmosphere veiling these discussions, some concrete facts can be reported.

Most negotiations revolve around postwar pay rates, volume of output, and

related subjects. In the case of one midwestern company, agreements have been made orally with the large C.I.O. union with which it deals. The 24,000 employees now on this firm's payroll are engaged in producing supplies for the aviation, automotive, and farm implement industries, among others.

This firm's midwestern and southern operations have multiplied many times over peacetime levels and its payroll is about four times its prewar average. In the course of this expansion wage rates have gone up sharply.

For High Employment—This company realizes that it can continue on its present cost level, in line with its competition, and operate just about as

well as in prewar days, with greatly reduced labor force. It hopes, however, to be able to maintain at least 9,000 men and women at work. To do this, it must continue a high rate of business.

This can be done only if unit costs can be considerably reduced on a line of products which hitherto was made up of small-volume items. In handling large civilian market runs of output, lower prices will create enough added business to increase the pre-1942 labor force by 50%.

Dual Benefits—This factor appealed to union officials, whose interest, they avowed in closed meetings, was to maintain high employment. They admitted both broad and narrow reasons behind their position: benefits for the nation, and benefits for their union and its treasury.

Having pointed out the facts to the union officials, company executives sat back. They said plainly that they did not intend to place themselves in the position of trying to cut wages. Instead they inquired what base pay the em-



MATERIAL FOR A GANTLET

Mounting piles of artillery and small arms ammunition on a Leyte beach represent a small index of the vast quantity of supplies U. S. industry must produce to underwrite Allied success in the Pacific as well as in Europe. With the invasion of Mindoro last week, a bit more of the high command's strategy becomes apparent. The drive is aimed not only at retaking the Philippine archipelago—a stepping stone to Tokio—but toward establishing snug harbors for ships and planes to patrol the South China Sea and cut off supplies vital to garrisons in the Japan-dominated Netherland Indies in the South Pacific.



NO BARGAIN SALE

When the War Food Administration, acting through local county committees, offers surplus Defense Plant Corp. tools and equipment for sale (BW—Sep.16 '44,p48), prices are geared to consumers' needs, not to price ceilings. Thus at Ephrata, Pa. (above), worn wheelbarrows went for as much as \$9 each. In such auctions, whether or not under government auspices, price ceilings are applied to only nine items—including purely agricultural implements like farm tractors, combines, and manure spreaders. If the implements are less than a year old the ceiling is 85% of the manufacturer's list price; if older, 70%.

ployees considered fair if they were promised sustained work.

• **Take 15% Less**—The meeting adjourned on this exploratory note, and the unionists came back a few weeks later to continue the discussions. They reported that workers in the plant were willing to see their present pay base pegged after the war at a level about 15% lower if they were sure of fairly steady employment.

The management took time out to do some figuring. Contacts were made with a few of the larger outlets for the company's products. With wage rates as well as hourly output known, it became possible to quote firm prices for postwar deliveries. Orders which were obtained on that basis were greater than they were in the past—sufficiently so that the management felt itself fairly safe in making employment commitments to the union.

• **Other Areas Surveyed**—Before this was done, contacts were made with union officials in the company's other plants. In areas where lower wage rates prevail, the company was surprised to find some workers now earning \$1.10 an hour who say they'll settle for 75¢ after the war. The anticipation of lowered prices on postwar products became more firm.

To insure that the guarantees made by the union officials would not evoke rank-and-file opposition, checks were made through the plants. The same basic question was posed: "If you were promised steady work, and knew we'd have to have a good day's output from you to sell our products, what rate would you be willing to work for after the war?"

• **Reports Confirmed**—The checkup confirmed the reports of the top unionists. Conferences were then arranged between the company's highest officials and the international officers of the union.

The plan was described to key officers of the union. They took the same position as did the local officers—that continued employment was the first postwar need, and that anything achieving that end should be considered thoughtfully. It follows, of course, that any formula which makes jobs also makes dues for the union.

• **Comparing Notes**—Procedure being followed by a second company is very similar. This concern is a West Coast fabricator whose production during the war has been largely going into ships, but whose postwar plans revolve in a much wider sphere. The unions with which it deals are A.F.L. affiliates. At

the present time negotiations between this company and union officials are progressing satisfactorily, pointed toward a postwar basis.

The two managements have been in close touch with each other, comparing their findings. Even though they are in considerably different fields, their progress has run in parallel courses. Both believe there is real significance in this fact, that it is proof that managements which take labor into their confidence and try to deal on a fair and rational basis can look forward to the future with more optimism and hope.

For Better Juries

Federal judges sponsor law to unify jury standards and qualifications as a step toward a better brand of justice.

Businessmen involved in court proceedings, which might mean huge sums, a criminal conviction, or even suspension of business, sometimes look with dubious eye upon the caliber of the jurors chosen to pass upon their fate. Even the judges have their doubts also, and those who sit on the federal bench are planning to do something about the problem.

• **Qualifications Vary**—Only a fraction of the population is eligible for jury service in any state, and that is sometimes far from the best fraction. Qualifications for service—or exemption—differ widely.

In Colorado exemption from jury service is extended to U. S. government officials, postal employees, county officials, attorneys, newspapermen, firemen, members of the National Guard, persons in ill health or with sickness in the family, registered pharmacists, persons unable to speak English, Seventh Day Adventists (on Saturdays), professional gamblers, and officials of railroad, telephone, and telegraph companies, as well as railroad engineers, conductors, and superintendents.

• **Who Is Exempt**—In Alabama and Florida, accountants and actuaries are relieved; in California, Missouri, and Rhode Island, chiropractors; in California and Oregon, Christian Scientists; in New Mexico and North Carolina, funeral directors; in Mississippi, as well as Colorado, professional gamblers; in several states, flour millers; in 36 states, pharmacists; in Nevada, persons residing more than 60 miles from court; in Iowa and Mississippi, osteopaths; in six states, veterinarians; and in Kansas, as in Colorado, Seventh Day Adventists.

All these are in addition to the gen-

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exemptions. Doctors, commercial
elers, lawyers, ministers, optome-
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nging to a long list of other pro-
ons and businesses are exempted in
ous states.

There is no relief for the federal
rt, because under present laws the
regulations of each state apply to
eral courts within that state.

Legislation Pending—Therefore the
ficial Council, composed of judges
the federal judicial system, has in-
cted a special committee headed by
S. District Judge John C. Knox of
w York City to ask Congress to
ke special provisions for uniform
eral jury standards. Such legislation
ending, and it is certain to be rein-
duced in the new Congress.

The pending measures would pro-
ve for liberal qualifications and allow
few exemptions, subject largely to
discretion of the judge. General
qualifications would apply to per-
ons convicted of felonies and certain
es of misdemeanors; persons unable
read, write, speak, or understand Eng-
ish; persons mentally or physically in-
en or ill; public officials whose service
mands their full time and attention;
d persons on active duty in the armed
ces.

Eligibility Expanded—Such a nar-
wed list of exemptions would render
arge majority of mature citizens, both
en and women, liable to federal court
y service.

Beef in Trouble

**Eastern packers threaten
shutdown in protest over OPA
and WFA rules. Vinson order is
blamed for confusion.**

Beef stewed in a caldron of double-
trouble this week.

Army buyers are not getting enough
beef for direct needs of the services.

Eastern packers were threatening to
close their slaughterhouses unless live-
cattle ceilings are imposed before
Christmas.

• **Rules Were Changed**—They want
live-animal ceilings set at levels far
enough below dressed-beef ceilings to
assure them a profit. They demanded
this as relief from OPA and War Food
Administration regulations which were
switched this month for the specific
purpose of forcing beef out of black
market channels into military con-
sumption.

Retail dealers and meat cutters'
unions screamed that stiffened OPA en-
forcement of grades, with a new rule
requiring grade stamps every 2 in. on
cuts, was ruining them. They wailed
that if their sources of supply close, it
will cost them their shops and their
jobs.

• **City Supplies in Danger**—Weaving
gnomelike through the free-for-all, New

York's Mayor F. H. La Guardia busily
assured his constituents that all meat
stores which scrupulously observe price
ceilings will get plenty of beef. But
this brave talk eased no retailers' mis-
givings. Every man of them suspected,
if he did not actually know, that end-
ing black market supplies would cut
the city's beef diet sharply.

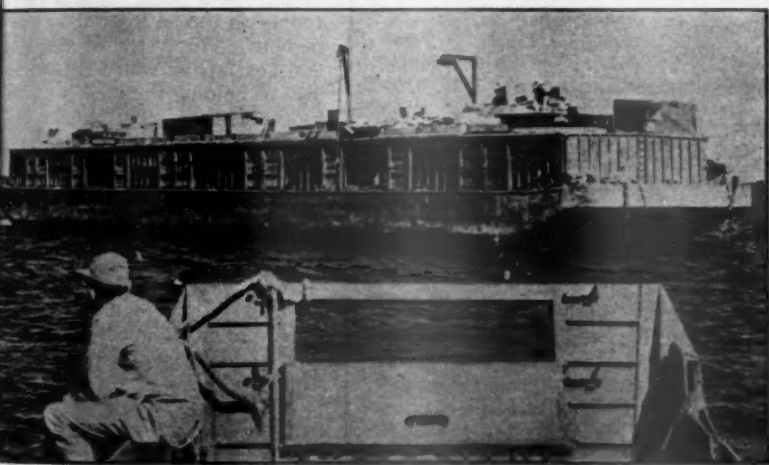
The beef-and-cattle confusion could
not have surprised any industry realist,
from the western ranges to the cutting
block in a Yorkville market. Stockmen
and packers unanimously prophesied 14
months ago that crushing confusion
must result from the Vinson price order
which did not set firm ceiling prices on
live animals but made payment of sub-
sidy money (50¢-\$1.45 a cwt.) con-
tingent on observance of specific mini-
mum and maximum prices for various
grades, ranging up to a \$15-\$16 floor-
ceiling relationship on the top grades.

• **Chance to Prove Itself**—If a packer
errs by paying for his cattle in any
month an average price either more or
less than the Vinson brackets, he for-
feits a corresponding sum from his De-
fense Supplies Corp. subsidy. Meat and
cattlemen protested the order before it
became public, but went along at Vin-
son's request to give it a chance to
prove itself.

Industry forebodings about the ca-
lamities which this nonrigid set of floors
and ceilings might bring included two
that time has proved completely ac-
curate. More cattle than ever have been
diverted to the black market. Feed-lot
operators found it impossible to buy
range calves, feed them high-priced
grain, and still sell them at the Vin-
son order's prices. Hence, tough beef
has become the usual grade available
to U. S. consumers—when they can get
any.

• **Too High Cattle Costs**—Packers who
have been too honest—or too conspicu-
ous—to dabble in the black market have
lost between \$20 and \$30 a head on
practically all better-grade cattle slaugh-
tered east of the Mississippi, have prob-
ably averaged a profit of only \$1 on cat-
tle processed in western plants. To meet
their Army contracts and keep a token
trickle going to their regular dealers,
they have had to pay \$18 or more—\$1-
plus above the live-animal ceiling—to
outbid eastern order buyers on choice
cattle that will slaughter into only \$15
in products and byproducts figured at
meat ceilings.

Meanwhile the black market slaugh-
terers were having a field day. They paid
for cattle at western points more than
these were worth even for western
slaughter, paid freight on the live ani-
mals, suffered the tissue shrinkage
which runs from 2% of weight of a
top-quality steer to 5% of a low-grade



MARCHING AHEAD

far from its home waters, a converted Mississippi River barge rides at anchor
off a recaptured Pacific island. Behind it are the bitter Gilbert and Marshall
campaigns through which it served as an emergency supply boat for advanced
air bases. Since then it has moved ahead with the island-hopping forces to
fuel and arm planes at the front. Army records don't reveal how the scow was
transported across the Pacific, but its battle efficiency is reflected in the
Seventh Air Force Service Command's orders for more of the steel barges.



COMBINED OPERATIONS

While seamen sweep snow from its flight deck, a Canadian baby aircraft carrier loads a cargo of wheat. This incongruous preparation for duty reflects an economical combination of shipping facilities and a reversion to type for a Dominion warship that once was a freighter. Thus with grain as its ballast, the carrier convoys ships across the Atlantic—then lays down 7,000 tons of wheat on the British Isles.

beef critter. It is impossible to ship live cattle east at Vinson-order ceilings, much less at higher cost, and still come out with a profit if the meat is to be sold at the legal wholesale ceilings, even with benefit of the fancy ceiling allowances on kosher meat.

• **Profits \$30 a Head**—New York wholesale ceilings for good-quality beef carcasses are 20½¢-21½¢, though the total cost to the packer is 26¢-28¢. The going price of this beef has for months been 32¢-35¢. The overcharge averaged the chiseler a profit of around \$30 on each animal.

WFA regulations required each federally inspected slaughterer to set aside for government purchase—at ceiling prices, of course—a percentage of all cattle killed, and required federal inspection of every slaughterer of more than 50 head a week of Army-style or high-grade cattle. Any smart operator could sidestep this one by having 50 cattle killed for his own account, 50 for each of various close relatives, with-

out a single carcass going to the Army. • **Change Signals**—Early in December WFA amended this rule. Now not ownership of the cattle, but the number of cattle killed in a single plant in a week determines whether it must be federally inspected, hence subject to the set-aside. Of the top three grades of beef, 60% must be reserved for government buyers, of the bottom grade (canners and cutters) 80%. Also, the Army is cracking down on those larger slaughterers who have been ignoring set-asides.

To the chiseling slaughterer this means that he now must sell 60% of his output (he handles no cheap cattle) at a huge loss. To get back this loss, he would have to sell his own 40% at a much higher price than before.

Black market steaks and roasts from 35¢ carcasses must retail for around \$1 a lb., because consumers will pay fancy prices only for these cuts. Experience shows this is the absolute top that will permit a volume operation.

• **Soaring Eastern Kill**—This is all very tough on the eastern slaughterers. Before beef became scarce, many of these outfits killed little but local dairy calves and over-age cows. What has happened subsequently throughout the East is typified by New York City's beef supply now compared with the five-year seasonal average. These figures are from government sources, converted from number of head to pounds of beef by use of estimated average weights:

| New York City Beef Supply (000,000 lb.) | | | |
|--|-----------------|---------------|-----------------|
| | Western Kill | Local Kill | Total Supply |
| 5-Year Seasonal Average | 5.2 | 5.6 | 10.8 |
| Weeks Ended | | | |
| Oct. 28 | 4.6 | 9.0 | 13.6 |
| Nov. 4 | 3.3 | 7.3 | 10.6 |
| Nov. 11 | 3.8 | 7.0 | 10.8 |
| Nov. 18 | 4.1 | 6.4 | 10.5 |
| Nov. 25 | 2.5 | 5.8 | 8.3 |
| Dec. 2 | 3.2 | 7.7 | 10.9 |
| Dec. 9 | 2.7 | 6.5 | 9.2 |

In terms of Washington interagency politicking, the beef-and-cattle stew was causing new highs in hard feeling this week. OPA, of course, wanted to slap effective ceilings on live cattle, so that a packer purchasing at a higher price could be nailed then and there for a violation, but OPA knew this would enrage southwestern cattle growers who have been complaining for 18 months that the meat price rollback in the summer of 1943 rolled clear back on them, that the DSC subsidy payments, initiated by the Vinson order, failed to ease the squeeze.

• **Harder Than Meat Control**—Major meat packers said that they could ask nothing better than live-cattle ceilings

set low enough in relation to dressed beef ceilings to yield a profit automatically. But they consider cattle ceilings utterly unenforceable and point frequently to OPA's futile attempts at meat control. They contend that an attempt to grade live cattle in terms of the finished meat product would mean that virtually all cattle would be sold only at the top-grade price.

WFA opposed live-cattle ceilings, on the same grounds. Off the record OPA retorted that the real reason for WFA attitude was its political tenderness toward the farmer. Packers strung along with WFA as the only government agency that has been realistic.

• **Compromise Likely**—At midweek with eastern retail butchers still threatening to strike on Christmas Day, nobody could guarantee what Washington would do, but betting was on some spur-of-the-moment compromise that would not come soundly to grips with the situation.

CEILING ON TURKEYS?

Two ingenious schemes for evading turkey ceiling prices that showed up in Chicago before Thanksgiving—and probably in other marketing centers—are working right through the pre-Christmas trade. OPA is apparently stumped for an answer.

In the first, a jobber offers raffle tickets, with a specific lot of turkeys as a prize. If the OPA ceiling on the lot is \$100, he sells perhaps \$110 worth of tickets—and any retailer who wants to be sure of holding the lucky number buys them all. This might run counter to local gambling laws, but technically, at least, it's hard to prove a ceiling price violation.

The second device is reminiscent of the potato shortage in the spring of 1943, when jobbers discovered that merely by tagging their sacks of potatoes "Seed," they could charge over-ceiling prices and get away with it (BW-Apr. 10'43, p. 57).

The current version among poultry jobbers works this way: If a retailer wants to buy, say, 100 turkeys, the jobber sells him 90 at ceiling prices. The other ten are sold—and actually billed—at \$25 or \$35 each as breeding stock. Nor is this deal quered by the fact that the breeding stock may be delivered killed and dressed, or that the retailer's breeding farm is exactly the size of his own backyard.

Tax Cut Unlikely

No general reduction can be expected from new Congress, but business may get quicker action on refunds.

Taxpayers will hear a great deal of talk about tax reductions during the coming year, but they will have to wait at least until 1946 to get the kind of relief that makes a difference in a bank balance. Whether they get anything more than token concessions even then will depend largely on the military situation.

• **Earlier Refunds Likely**—Congressional leaders plan tentatively to bring up a tax bill next session, but they intend to confine it to comparatively minor points.

It seems now that about the only concession that looks like a better than even bet for 1945 is the proposal to streamline the system of making tax refunds so that businesses will be able to use the money due them to finance reconversion.

The present tax law provides that whenever a corporation's earnings are less than its excess-profits tax exemption, it can carry back the unused part of the exemption for two years and recompute its tax for the years when earnings were high. This carry-back provision will entitle many companies to refunds when their war business falls off.

• **Reconversion Assistance**—As the law stands, a corporation having a bad year has to wait until its final figures are in, then compute the amount of refund due it, and apply to the Treasury for payment. The big trouble with this system is that a company doesn't get the money back until too late to use it for reconversion expenses.

To get around this objection, the Treasury has proposed an amendment that would allow corporations to offset the estimated refund against taxes due on the preceding year's business. Thus, a company that lost its contracts in the middle of 1945 would file an estimate of the anticipated carryback as soon as it could make a reasonable guess at its 1945 income. Then it would deduct the amount of the probable refund from its payments of the tax on 1944 income (which fall due in 1945). In this way, it could meet reconversion expenses by drawing on the cash reserves it had set up to take care of 1944 taxes.

• **Postwar Rebate Now?**—In addition to any carryback refunds, corporations are entitled to a 10% postwar rebate on their excess-profits tax.



FLEET AND LOW

A radically designed lightweight streamliner (above), combining automobile and airplane features, undergoes tests in Spain while Sweden tries its new 3,600-hp. electric locomotive (right). Both are for mountainous lines, but there the similarity ends. The Spanish job is a complete passenger train of two-wheel articulated coaches; the Swedish unit is only a prime mover. Built with low center of gravity, the diesel-powered Spanish train is designed for 90-m.p.h. runs, and on tests reportedly made 80 m.p.h. on routes where ordinary traffic is held to 31 m.p.h. Aircraft characteristics include streamlining and

stressed-skin body structures. Automotive designs are used in brake systems and independently sprung wheels.



Present law requires the Treasury to issue them a special noninterest-bearing bond which cannot be cashed until some time after the end of hostilities. There is a good chance that the next tax bill will include a provision allowing a company to cash its bonds as soon as it loses its war orders.

• **Changes Sidetracked**—Once Congress opens the question of tax relief, the Treasury may have another try at getting the old capital stock and declared value excess-profits tax abolished. This never has been much of a moneymaker, but Congress so far has refused to knock it off the books because several influential congressmen think it is the only way of getting at corporations that show no net income.

If the European war ends abruptly in 1945, Congress might also knock a few points off the excess-profits tax, which now stands at 95%, but unless V-E Day is followed by a sudden slump in em-

ployment, this is the most that corporations can expect. Congressional leaders want to concentrate on getting the postwar tax program lined up. They will try the sidetrack any interim changes.

• **High Revenue Needs Stay**—The government's tax experts always have insisted that the key date in the revenue-expenditure picture would not be the collapse of Germany but the final victory over Japan. Recent estimates of the V-E Day cutbacks in war orders have underscored their argument.

Total war expenditures will decline as the military trims its munitions programs, but the drop will be smaller and it will come more slowly than the cut in war production. Pay and subsistence payments, contract termination settlements, and demobilization benefits will bolster the total even though procurement expenses are shrinking.

• **\$80,000,000,000 Budget**—A 25% cut in war production—about the best V-E

Day guess at the moment—would bring a drop of only 15% to 20% in total war expenditures (now running around \$7,000,000,000 a month). This would mean that during most of the Japanese war, the government would be spending about \$6,000,000,000 a month for military purposes. On this basis, the annual budget (including both war expenses and regular expenditures) would have to run around \$80,000,000,000. With the present tax system yielding about \$45,000,000,000 a year, officials don't see any place in the picture for across-the-board reductions.

• **Too Little Margin**—Even on the question of tax reductions after the defeat of Japan, top officials don't want to make any commitments. The first ground-breaking studies by the Treasury and by Congress' joint committee on internal revenue have made it plain that laying out a postwar program is going to be a painful business, both for Congress and for the taxpayers.

With a postwar budget of say \$25,000,000,000, any sharp reduction in national income would force Congress to choose between maintaining present tax rates and continuing a policy of deficit financing. Even if national income stays high, officials can't see that there will be much margin left for reductions after they have taken out special emergency measures such as the excess-profits tax.

Shift on Textiles

WPB will put emphasis on children's clothing to give adequate distribution, if not to meet nation's total demand.

Faced with a supply situation on civilian textiles and clothing which promises nothing but further deterioration—at a steadily accelerating pace—the War Production Board is about to do a right-about-face on policy.

• **More Child Clothing**—From here on out the emphasis will be on production of children's clothing at a level to maintain adequate distribution, if not to meet total demand. A few highly essential items of adult clothing—principally work clothes, and men's and boys' heavyweight underwear—will be protected to the best of WPB's ability. So far as work clothing is concerned, this won't be much.

WPB would like to take care of such garments as men's shirts and pajamas, women's slips, and low-priced house-dresses, but probably will not be able to do much except in a very general way. The sad truth is that production of babies' rompers can be increased by cutting into the supply of cotton house-dresses more easily than by curtailing

the output of velvet evening dresses. • **Materials to Be Doubled**—Programming of infants' and children's clothing—firm set-asides of materials available on priority to manufacturers—probably will be doubled during the first quarter of 1945.

Diapers provide an illustration of what is necessary in the way of children's goods production to assure anything like satisfied demand. Output of these is now 93% above 1939, with a net increase of 50% in the yardage available per infant after allowance has been made for the rise in the birth rate. Retail stocks are still negligible.

• **Rated Orders to Rise**—The children's programs eat principally into the cotton goods supply. A total of 1,177,000,000 yd. of cotton goods was allocated to civilians for the fourth quarter of this year (aside from industrial and agricultural uses). Periodic bites by the military probably have reduced this allocation to closer to 1,050,000,000 yd.

Rated orders—special programs for children's wear, work clothing, and other essential garments, surgical cotton, etc.—took some 650,000,000 yd. of this, leaving little for the free market.

Prospect for the first quarter of next year is that the allocation will be no larger and that rated orders will take a considerably bigger bite.

• **Wool Goods to Be Scarce**—WPB's Office of Civilian Requirements had hoped to ease the cotton situation somewhat by converting some 10,000,000 lb. or 12,000,000 lb. of spun rayon capacity in nonintegrated mills to production of cotton knitwear. Now it looks as though the military will grab this for its duck program.

Up to now the clothing shortage has been principally confined to cotton goods. Within the next few months it will spread to wool. The armed forces will pre-empt the entire output of worsteds during the first half of next year (BW—Dec. 16 '44, p7), and will step up their takings of woollens.

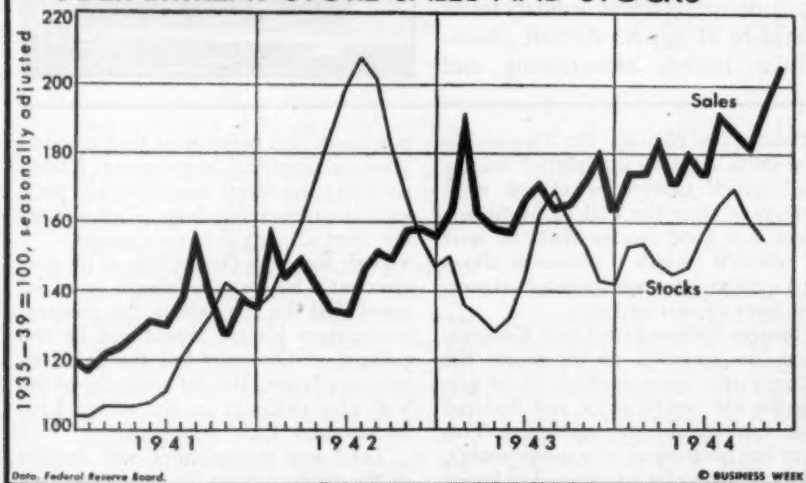
This will mean fewer men's tropical worsteds next summer and will eat heavily into the supply of men's and women's suits and overcoats next winter. The combined squeeze on wool and cotton will be reflected in reduced supplies of rayon—already none too plentiful—as this is used for other fibers.

• **Shoe Supply Tighter**—The textile situation is repeated in leather, where the Army is stepping in with a big, new shoe program. Here again WPB will protect the supply of children's shoes—with particular emphasis on sizes 4½ to 12—if necessary, and where possible, at the expense of adult footwear.

Children's shoe production probably can be maintained at the present rate of three pairs per child a year. Output

IN THE OUTLOOK:

• DEPARTMENT STORE SALES AND STOCKS



Department store volume has soared to new records throughout this year's Christmas sales season. Unlike 1941, 1942, and 1943, this December will probably top November, even after taking account of the usual seasonal upsurge. Sales hit a new all-time peak in the week ended Dec. 9, advanced again in the Dec. 16 week, and are apt to move further ahead this week. Under the impact of this demand, merchandise stocks will probably decline drastically through the year-end. That may be the only limit on what seems a new spending spree.

of rationed types for adults may go down to one pair a year.

• **Rationing to Be Avoided**—All of this bodes ill for the civilian standard of living, but WPB considers the situation still short of desperate, particularly in comparison with other countries.

Clothes rationing is not contemplated, largely because it would take a year or more to fight the bugs out of any rationing system as complicated as this would have to be.

Wool Rate Row

Railroads oppose growers' petition to ICC for probe of freight charges, claim that a cut wouldn't overcome tariff edge.

The battle over wool freight rates brought heavy artillery into play this week. The railroads filed their reply to the petition for an investigation of wool rates which the National Wool Growers Assn. sent to the Interstate Commerce Commission, and the carriers argued hotly that no such investigation is needed.

• **Fast Action Hinted**—Dept. of Agriculture transportation experts gave the document eager scrutiny and prepared to ask special permission from ICC to answer in two weeks. Such speed brought hopes of action to wool growers, who claim that dwindling profits have caused many to sell their flocks despite war's unprecedented demand for wool.

About 85% of U. S. wool is grown west of the Mississippi, yet 80% of all domestic and imported wool passes through Boston, the traditional market, and most of the processing industries are in the East.

• **Water Hauls Cut**—During the ten years ended in 1939 only 18% of domestic wool moved exclusively on railroads. But when war halted all ship transportation of wool through the Panama Canal and greatly limited water shipments from the Gulf, the rails' share leaped. Add to this the enormous imports from Australia (600,000,000 lb. in 1943), both for the U. S. and for Britain (which stores its wool in the U. S. to avoid bombing), and you have a business that the railroads don't want to lose.

Wool men assert that present ceiling prices on domestic wool are about the same as in 1937, but that costs of production have gone up 50%. They complain that Australian wool hurdles the 34¢ tariff and comes in at 15¢ below the \$1.18 per lb. (scoured) which the government, sole buyer of domestic wool,



BOOKED FOR EUROPE

A familiar figure of the Washington scene, former OPA administrator Leon Henderson, goes aboard a Pan American clipper at New York with part of his overseas cast of the Foreign Economic Administration. In his new role with FEA, the raccoon-coated Henderson will hold conferences at London before joining the military command as an adviser on economic controls for Germany after its occupation by U. S.-British forces. Accompanying him in supporting roles are Miss Lou Landreth, his assistant, and James M. Perkins, a deputy.

pays. They are further angered because the foreign wool hurries from West Coast ports to Boston at \$1.05 per 100 lb., while domestic wool pays \$2.33 from Far West points.

• **Hearing Asked**—For two and a half years the case has been before the ICC. Eighteen months ago the Dept. of Agriculture, unable to hold the employees who were handling the case, sought postponement until 1945. Recently the department asked that the case be heard.

This week's reply by the railroads was written by Elmer B. Collins, one-time ICC staff member, formerly special assistant to the U. S. Attorney General and now counsel for the Union Pacific in Omaha. He lays the blame for the plight of wool growers mostly on the government's "muddling," on OPA's price ceilings, on WPB's restrictions on use of wool in civilian clothing, on favors granted wool growers of Uruguay, Iceland, and Australia.

• **Tariff Edge**—Arguing that the tariff preference given foreign wool makes it from 5¢ to 11¢ cheaper than domestic wool of similar grades, the railroads say that even if they abolished freight charges, it wouldn't solve the problem. The carriers add that wool growers are getting 41.6¢ a lb., a 20-year high for the ranch price of wool in the grease,

and that freight rates were the same when wool brought 9¢ a lb. in 1932.

The railroads list rates on 32 farm products to show that only cotton dressed poultry, and green sheep pelt pay less than wool, based on percentage of the price received by the growers. But Agriculture answers that most of these farm products are highly perishable, as beans, grapes, and tomatoes and hence cost the railroads far more in spoilage claims. Wool claims have been less than 0.2%, the department says. Cabbage spoilage, for example, may explain why it pays freight rates of 203% of price paid to grower.

• **No Exports**—Wool exports have reached the vanishing point because of production costs; and Army needs which were 80% of textile capacity in 1941-42, fell to 30% in 1944. The number of sheep in the U. S. was 7% lower than a year ago. The value of shorn wool, as reported by the Farm Credit Administration, fell in 1944 to \$148,000,000 from 1943's \$160,000,000.

The Agriculture Dept. admits the lower freight rates won't be the whole answer to wool growers' complaints, but declares that such solutions as higher price ceilings, improved labor supply or community balers bought by government money are not within the department's power to bring about.

United Will Fight

Airline protests CAB's award of Denver-Los Angeles run to Western Air, hints it may balk equipment interchange.

In a sizzling statement released last week, United Air Lines indicated its determination to fight the Civil Aeronautics Board's allocation to Western Air Lines of the important Denver-Los Angeles sky route (BW—Nov.25'44, 26).

Equipment Interchange—United, in its appeal for a reconsideration of the case, registers general objections to the action, but the airline is particularly violent in its opposition to CAB's ruling in favor of interchange of equipment between United and Western. Under

the precedent-making arrangement, Western Air would take over Los Angeles-bound United planes at Denver, while United would fly eastbound planes of Western Air to Chicago and New York, thus eliminating unloading and reloading of passengers and freight.

While United doesn't come right out and say that it refuses to interchange equipment, the inference is plain from the tone of the outburst. Obviously United, which would admittedly account for four times as much traffic as Western on the route, is smarting under the disappointment of losing a rich trunk to a rival bidder.

● **Postwar Run**—United operates a transcontinental line through Denver to San Francisco. Western runs from the Pacific Coast eastward through Denver to Huron, S. D. The new cutoff from Denver to Los Angeles can't be inaugurated until after the war because of the difficulties in obtaining ships and ground

equipment. But when it comes, the rich traffic that awaits the opening will be treated to some superscenery.

United Air Lines' stand concerning interchange of equipment poses a question. If the company definitely refuses, has the CAB enough legal authority to force the arrangement? The matter is yet to be settled by a test case.

● **Public Convenience?**—It is admitted that CAB has powers that it hasn't seen fit to exercise. Perhaps the courts would rule that authority to force such interchanges is one of them. There is always the old faithful "public convenience and necessity" which the CAB might invoke.

Of course, CAB might dodge the issue either by giving Western Air a route clear through to Chicago—or even New York—or by ordering an interchange at Denver with some more cooperative line. Continental, for instance, recently inaugurated a Kansas City-to-

Research Brightens Textile's Future

Potentially more explosive to the textile industry than rising raw cotton prices and mounting mill labor costs (BW—Nov.18'44,p24) is the barrage of wartime improvements in competing products. By coming up periodically with new substitutes for cloth, made from such materials as plastics, glass, metals, and paper, the research laboratories threaten to complicate the inevitable postwar cotton glut and harass the cotton textile industry even more.

● **Where to Turn**—But the men who own the spindles and the looms needn't sit back and curse their fate. They can turn to a neat colonial building (right) to arm themselves for their own brand of scientific warfare, in laboratories of the Callaway

Institute at LaGrange, Ga. Here is one of the world's most advanced textile research layouts, perhaps the only one of its kind.

Recently purchased from Callaway Mills, which it served for more than ten years as a private research agency, the institute is now chartered by the state as a nonprofit organization dedicated to science, research, and education. Staffed by 30 technicians and equipped with the latest in test equipment (below), the laboratory is geared to handle virtually any problem or new idea in textiles.

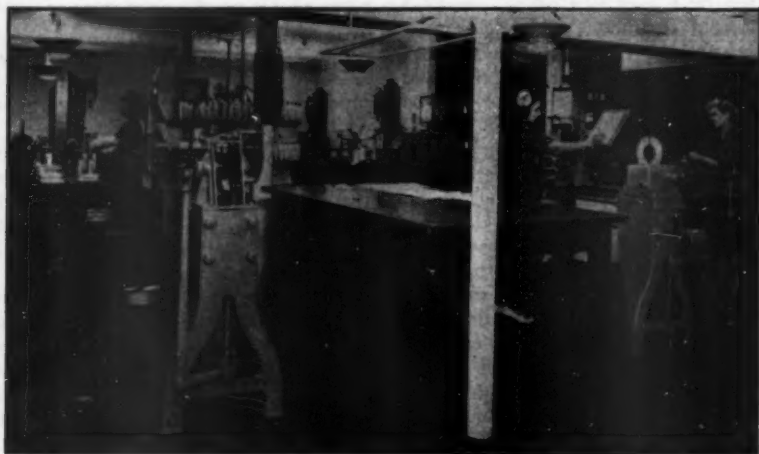
● **Anything Goes**—Whether it's a dream to develop new fabrics or new industrial uses for cotton or a method to speed textile mill productivity and thus lower costs, the



institute stands ready to do all the necessary laboratory research. Working with the experts is a continuing line of "new blood"—selected students who toil over test tubes and apparatus to complete their technical education in textiles.

Project work is done exclusively for the individual client who assigns it and pays the specified fee which goes to the institute's support. Where patents are involved, the institute makes the search for previous assignment before proceeding with its research—thus saving itself and the client time and money.

● **Looking Ahead**—Inevitably, one of the laboratory's major projects will be in the field of electronics—to seek ways and means of putting this newest of the sciences to work on one of the most ancient of arts—spinning and weaving.



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To make calculating easier . . . simpler . . . faster, Burroughs has led for thirty-three years in the development of new machines and new features. Nearly every major development in key-actuated calculating machines during this period has come from Burroughs.

As a result, the Burroughs line of calculators is most complete, making possible the selection of machines with the figure capacity and special features best fitted for each job's needs.

Burroughs' constant aim is the simplification of calculating work and elimination of unproductive operations. This involves a continuous study of calculating problems, job requirements and operating techniques, carried forward in close cooperation with businessmen and operators.

Only the leader can work in this way; only in this way can leadership be maintained. In the future—just as in the past—Burroughs will lead.

BURROUGHS ADDING MACHINE CO., DETROIT 32

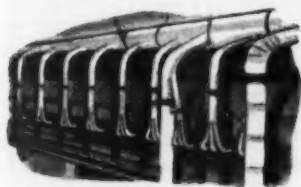
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PERHAPS YOU PICTURE BOTTLE-MAKING as a job for glass-blowers puffing through long tubes at fiery bubbles. But if this were the method used today, a lowly medicine bottle would cost about two dollars. Instead, it costs a fraction of a cent, for it's produced in high speed machines that complete up to 260 bottles per minute. "Air at Work" plays an important part in this \$100,000,000 industry... boosting productive capacity and extending equipment life by years. Let's step into a glass plant and see how...

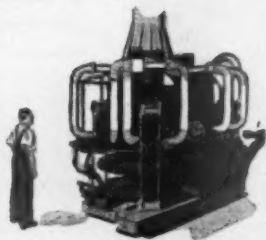


1. INSIDE a 200-ton furnace, potash and silicic acid (from sand), with a sprinkling of broken glass, are melted by intense cross flames whose 2700° F. temperatures could burn through the toughest furnace wall in months. So walls are cooled with high velocity air jets, supplied by powerful Sturtevant Fans. For this ingenious system that more than doubles furnace life, credit a first to Kirk and Blum Mfg. Co. of Cincinnati.

2. SO IMPORTANT is uninterrupted cooling that special standby equipment guards against power failure. If electric service falters, emergency diesel engines take over — and keep the vital air blasts coming.



3. NEXT, white-hot glass flows into "press-and-blow" machines, where a bottle neck is formed and fitted to an embryo body. The partly-formed bottle is then switched to a finishing mould and is blown to full size—another job for "Air at Work". All this time, ruinous heat given off from the incandescent melt is blasted away by Sturtevant Fans—assuring greater output, longer equipment life.



A HEALTHY "income and expense" statement for many a post-war plant will hang on wider use of *engineered* air to ventilate, heat, air condition, convey, control dust and fumes, or burn fuel *more economically*. Right now, you can be getting posted on how best to "Put Air to Work" in your plant at reconversion time. Sturtevant engineers are ready to talk it over with your planning committee—today.

B. F. STURTEVANT COMPANY
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Denver service (BW—Mar. 4)
• **Tell-Tale Tone**—Implying its ingenuity to effect an interchange of equipment with Western Air, United estimates that 50,000 passengers will be forced to change from one to another at Denver.

The tone of the company's reflects the intensity of competition for profitable postwar traffic. It is "Western's primary object in a lean and unprofitable routes is them as stepping stones for the creation of strong and profitable routes that "Western is now wending toward Chicago and Minneapolis means of successive bites at the cherry."

• **Thrust at Management**—Giving to some of the most barbed in which one corporation has ever at another, United said:

"The plan is for Western to itself so weak that the board is forced to make it strong. Tomorrow there will be a need for a The board should not overlook that Western Air Lines sold out in 1930 and that the owners of 71% capital stock tried to sell out in Large stockholders controlling corporation are always a potential This is particularly true now because the vast difference which permits large means find in the tax rates cable to their ordinary incomes."

Surplus Planes

Public must expect to them pile up, since many aren't suitable for civilian Other nations may take so

A big public relations job is needed within the next year when public begins seeing and hearing huge stocks of surplus planes piled at storage centers throughout country.

• **Questioning Taxpayers**—The ahead—for industry and for government—is educating people to the realization that thousands upon thousands of planes, the finest product of engineering genius, are virtually worthless scrap. Taxpayers are going to know why these planes cannot be why more than a possible 15% of investment cannot be recovered.

After the last war, when the process was minute in comparison, about was recovered. And that was accomplished only by holding planes engines until the late twenties, hamstringing aeronautical development and dealing a severe blow to aircraft engine companies. More so

Laugh at a cold—and PNEUMONIA may laugh at you!



LOTS of people think "it's just a little cold." But that little cold can use up a lot of your body's resistance against disease.

People who are already weakened by colds make easier targets for such serious diseases as pneumonia, influenza, sinusitis, tonsillitis, or bronchitis.

If you take the simple precautions below, chances are good that you won't be one of the thousands of victims of pneumonia this winter—or one of the

countless victims of other frequent complications of respiratory infections.

To Employers: The cold season is on—and, as always, it's an important efficiency problem.

To remind your employees how to treat a cold, Metropolitan will gladly provide you with poster-size reproductions of this advertisement for display on your bulletin boards.



When a cold strikes . . . go to bed if possible. At least stay indoors and rest *all* you can. It may help to take a hot bath, or soak your feet in hot water, and drink a hot lemonade before retiring. Be sure to avoid chilling.



2. You must go to work? Remember that you may inflict your cold on others. If you really *must*, then wear warm, protective clothing. Avoid drafts and sudden chilling. Keep your sneezes and coughs covered up.



Drink large quantities of milk, fruit juice, and plain water. Take a laxative if needed.



4. Treat that sore throat to a gargle. For a homemade gargle, add a teaspoonful of salt or bicarbonate of soda to a glass of warm water.

If your cold seems more severe than usual, or if it starts with aching, chilliness, and fever, call the doctor without delay. Pneumonia may be indicated.

Most forms of pneumonia and certain other respiratory infections are often successfully treated with sulfa drugs—particularly if diagnosed early. Remember, sulfa drugs should be taken only when prescribed by a doctor.

But, an ounce of prevention is still worth a pound of cure. Do your best to avoid colds. Watching your diet will help. Get plenty of vitamins, fruits, and leafy vegetables. Eat better breakfasts. Don't skimp on your sleep. Dress warmly and avoid chilling. Get regular exercise—some of it outdoors. And keep away from sniffers.

Metropolitan will gladly send you its free booklet "Respiratory Diseases."

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VENUS

methods may advance the percentage after this war.

• **Built for One Purpose**—Between 80% and 90% of all planes produced in this country in the past few years are believed worthless for anything except the military purpose for which they were designed. Combat aircraft cannot be safely flown by civilians, or even by former military pilots who do not handle them regularly. Heavy trainers may be used in government training programs and to a limited extent in advanced civilian training, but the high cost of their operation and maintenance must be considered.

Many of the transports now in use—

including the Douglas C-47 and Lockheed Lodestar—are already regarded by the trade as obsolete and have a limited market except during the immediate shortage period before the end of the European war.

• **Reports on Sales**—Last week the Surplus War Property Administration reported that a total of 23,391 planes have been declared surplus by the Army, Navy, and other government agencies. Of these, 6,239 have been sold. Fewer than 2,000 of the remaining 17,152 planes thus far declared surplus are expected to find a ready civilian market, and of the 6,239 sold, 5,400 were small civilian planes which Defense Plan-



OUT OF KHAKI

Springing up behind disposal sales of surplus Army vehicles (BW—Nov. 4, p. 76) is the new business of rehabilitating them for civilian service. At Dallas, Tex., for example, Alexander Motor Co. buys the command car (above) in quantity and converts it into a serviceable pickup truck (below). Starting with only 20 machines a few weeks ago, the company already has sold more than 100—mainly to oil firms. Bid in at around \$650 each, command cars are reconditioned at the rate of two daily for resale at the \$850 price ceiling. For an extra \$75, the top and body are rejiggered to produce the rugged truck.



7 and already te and during before the ck the S stration 891 plan the Am t agenc old. Fea ng 17,8 surplus a an mark were sm nse Pl

had acquired for training programs and resold when the programs were curtailed.

More than 12,000 of the planes remaining are heavy trainers, the bulk of which will be stored for a civilian training program after the war.

Some 2,000 planes are combat types, obsolete or war-weary and scheduled to be stored until they can be scrapped after the war. Of the planes in this category, for example, are 15 Curtiss P-6 Mohawks of the type used by the French air force at the outbreak of the war. Many are one-of-a-type experimental planes. Seventy-three are Boeing B-29 Flying Fortresses, used planes that the War Relocation Authority reports can't be safely or economically repaired. Fifty-seven are Consolidated B-24 Liberators, retired for the same reason.

Of the 2,000 considered salable, 1,000 are light liaison planes of the Stinson, Aeronca, Piper class, 111 light single-engine transports, and possibly 500 are small two-engine transports. Already the storage problem has become acute.

Current Demand—In the larger transport category, there is no immediate storage problem, since virtually all will be quickly sold for some months to come (BW—Dec. 9 '44, p. 46). These are the Douglas C-53 and C-47, both similar to the familiar DC-3 of the airlines, and the Lockheed Lodestar, also used by many airlines. However, there is a surplus of transports, chiefly lighter ones, that may have to go to the scrap heap because they are too complicated for civilian operation. These include Curtiss, Beechcraft, and Cessna small transports. They are now being tested to determine if they can be certificated for civilian use.

Some others are planes originally built as bombers, large ships, but not built for passenger use and with limited cargo space. Among these are Douglas B-26 bombers and Lockheed Hudsons.

Don't Dump Surplus—Another consideration is a new agreement under which Defense Plant Corp. will not "dump" surplus transports on the market when this will hurt the market for new transport planes, and a second order which DPC will require that transports sold to foreign airlines meet domestic Civil Aeronautics Administration requirements before transfer.

This agreement to avoid conflict with the new plane market is perhaps less significant for the domestic field than it would appear on the surface, since this country's airlines for reason of economical operation will purchase new planes rather than continue operation of planes already obsolete.

Experience has shown that in other



"Oh boy - Strawberries and cream tonight!"

Strawberries . . . in the dead of winter?

Certainly! With a quick-freeze unit, after the war, you may enjoy your favorite dishes *any time*.

In the development of this equipment, which may revolutionize our daily menus, manufacturers unanimously turned to one of the oldest of metals—copper. For copper is easy to bend (into the necessary tube coils) . . . excellent for heat transfer (a prime requisite in quick-freezing) . . . highly resistant to chemical attack (from refrigerants or atmosphere exposure).

Copper's ready adaptability to

new products speaks well for its basic characteristics . . . and for the foresight of such mills as Chase Brass & Copper Co. in developing alloys to meet the changing demands.

In an age rich in fabricating materials, you are going to find the trade-mark of Chase—one of the leading producers of fine brass and other copper alloys—on a surprising number of the more practical things to come. Chase Brass & Copper Co. Incorporated, Waterbury 91, Connecticut—Subsidiary of Kennecott Copper Corporation.

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At Pressed Steel Tank Company, we are busily engaged in making war products. But as soon as war restrictions can be relaxed and there is more material available for civilian needs, Hackney's product development work and volume manufacturing will be at the disposal of every concern.

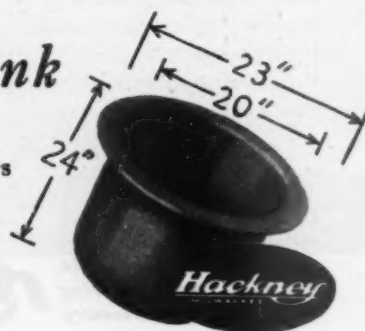
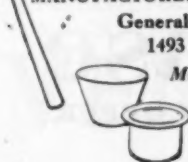
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countries this is not as true. Many operate DC-3 type planes economically for years to come, and undoubtedly will, particularly in those countries where war has wrecked the economy and wiped out technological development.

● **To Other Nations**—Many late war combat planes will not show up in plus lists in this country if presently are carried out to allocate them to friendly foreign nations by the Navy-State Dept. agreement. Whether the method, countries such as France, Belgium, the Netherlands, Denmark, Norway, and Czechoslovakia will be provided with air forces. The U.S. will undoubtedly supply some of the planes, but it is a safe assumption that the bulk will come from this country.

The situation in at least five of these countries is less clear. It is not unlikely that Spain, Italy, Greece, Switzerland and Sweden will fit into the picture of the disposal of not only combat planes but transport planes as well.

● **Program Slowed**—Although schools and other educational institutions in this country have been counted on to absorb quantities of surplus military equipment, here again realities are intruding. Transportation and other factors are proving a deterrent.

Lack of tools and institutional help lets to go with the surplus equipment has stymied the program of early disposal to schools. This in turn is leading to create a storage problem of a magnitude that the net result may be the outright scrapping of stored material simply to get it out of the way.

LAKE TONNAGE AT PEAK

Great Lakes carriers will close the season this month with an all-time high record of moving bulk cargoes, exceeding that of the previous year, 1942, by some 5,000,000 net tons.

With nearly all vessels laid up ahead of the early onset of winter, tonnage was reported at 159,096,284 net tons of iron ore, coal, and grain. The vessels remaining in service this month will increase this total somewhat, as limestone figures will add around 1,000,000 tons.

The higher rate was accomplished during the season despite a substantial decrease during November, as compared with that month in 1942 and 1943. November totals were 13,4782 this year, 15,931,435 in 1942. The decrease was in ore.

Comparative season totals:

| | 1944 | 1943 | 1942 |
|------------|-------------|-------------|-------------|
| Iron Ore.. | 90,911,003 | 93,693,980 | 101,528,000 |
| Coal | 53,502,042 | 45,005,073 | 45,800,000 |
| Grain | 15,583,239 | 10,658,608 | 7,600,000 |
| | 159,996,284 | 149,357,661 | 154,928,000 |

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HOW TO STOP CLAIMS BEFORE THEY START!



TO HALT DAMAGE, LOSS, DELAY:

CHECK THESE 5 DANGER-SPOTS BEFORE LOADING!

- **CONTAINER**—Is it sound? Are re-used containers re-inforced?
- **CONTENTS**—Do they fit snugly? Are articles carefully separated?
- **SEAL**—Tape all seams carefully. Be sure tape sticks.
- **MARKING**—Do marks and addresses on package and bills tally? Labeled "Glass", "Fragile", etc.?
- **HANDLING**—Take time to handle each package carefully and according to warning label.



A Few Minutes Invested Now Can Save You Costly Hours Later!

There's a lot of precious time wasted every time you file a claim. Time to file it. Time to soothe irate customers. Time to "make good" with a substitute shipment. Time—and money—that no refund can replace.

So isn't it better to *prevent claims in the first place?* Especially when these simple rules make prevention of claims so easy!

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THE AMERICAN TRUCKING INDUSTRY
AMERICAN TRUCKING ASSOCIATION, WASHINGTON, D. C.

EVERY MILE FREIGHT TRUCKS ROLL BRINGS VICTORY CLOSER

Negro Problem Worries Coast

Far West's war industries have made it important for the first time, and part of the trouble is its newness. Union rules and community efforts will count heavily in any solution.

The West Coast is worrying over its Negro problem.

The entire Pacific slope is uneasy, not because the situation is any worse there than elsewhere, but because the problem is new in a region where, since the Gold Rush days, arrivals of successive waves of unassimilable peoples have touched off social and economic disturbances which more than once flared into open race warfare.

And the Army's order this week allowing loyal Japanese now in relocation centers to return to the Coast probably will add to the current racial tension.

• **Three-Sided Problem**—There are now possibly 150,000 more Negroes on the Pacific Coast than before the war (8% of the estimated net increase in civilian population since Pearl Harbor), drawn there in the great wartime migration of labor to the shipyards, the warplane plants, as well as to high-pay essential civilian services.

But the problem they present is not like the alien invasions of the past which so regularly culminated in violence. It is a problem that is partly racial, partly political, and partly economic. And it is partly inherent in the new structure of western economy—now predominantly industrial for the first time, with its content of urban Negroes living in crowded, unhealthy conditions as they do in many another industrial region of the U. S.

• **San Diego Worries**—Up the long reach of the coast the problem is the same, but thus far only Mayor Harley E. Knox of San Diego has given open, official expression to fears felt elsewhere but talked about only in whispers.

Since Pearl Harbor, San Diego County, which in peacetime was known chiefly as a base for the Pacific fleet and the home of the "geranium trade"—retired people living quietly on their incomes in small cottages—has grown into a bustling industrial port city of 600,000 population (civilian and military). The total civilian population has increased 50%, but the Negro population has grown 74.5%.

Mayor Knox warned that there would be violence over the Negro problem after the war unless a solution is found before then. Immediate occasion for his warning was the controversy over Negro-white outbreaks at an amusement center, located on city-owned property where Mayor Knox sought to enforce

segregation by establishing separate nights for use of the center by Negroes and whites.

• **Alarm Elsewhere**—Los Angeles, funnel for the Negro migration and the distribution center for its coastwise spread, also has its fears but is saying nothing publicly.

In the San Francisco Bay area, much is being made of the fact that the Negro population of Richmond has grown from 270 to 5,403, and of Contra Costa County from 40 to 1,679. But, while these figures are accurate, they are meaningless. Actually these two industrial areas are new. Richmond's total population increase was 70,096, Contra Costa's 21,379—with percentages of new Negro residents 7.7% and 8% respectively.

In the industrial regions farther north, Negroes have also moved in in percentages proportional to their distribu-

tion in the country, and have entered similar resistance.

• **Anti-Chinese Clashes**—So far attitudes have been shaped by the experience of the Pacific Coast with other races, they might have a predictability. The difference, however, is that the races against which ties have been raised in the past in rural areas, engaged in farming and the struggles against them, inspired by white American farmers.

The first of the aliens imported large numbers for farm work. Chinese. This was in the 1880s with their spread (and the spread of the plantation system which they made possible), the embattled small farmer to the law—and to arms—to drive out.

• **Pattern for Exclusion**—This was easily the most bitter of the and class clashes that have wracked the Pacific Coast. It was given fire by intransigence of land-owning companies and land-owning railroads which controlled the state and local governments and permitted no law—popular—to restrain them from an oriental and sahib economy in lush Pacific valleys.

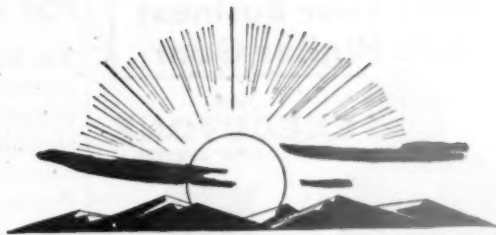
After the fight was over, no



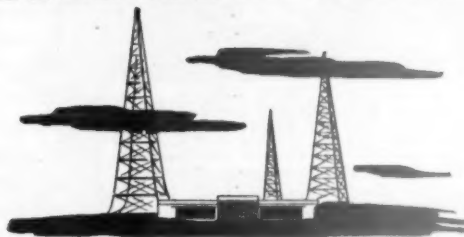
THEIR BARN RUNNETH OVER

An overflowing barn on Frank Carpenter's farm in Buena Vista County, presents graphic proof of the bumper proportions of 1944's corn crop. Due to a poor planting season and early floods, the Iowa yield put 618,000,000 bu. this year's national 3,200,000,000-bu. corn crop. Much of last year's crop was fed directly into livestock, but less profitable feeding ratios have deflated the market. Result: Iowa barns and corn cribs are bulging; the overflow is "stored" in open-field piles. Farmers contend that the new crop should be fed this winter because of its unusually high moisture content, fear widespread spoilage before spring. But a hungry market—distillers and corn processors will undoubtedly dissipate many of these worries (BW—Dec. 9/44)

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Makes Light Work Out of Tough Sweeping Jobs

Steel back of Speed Sweep brushes is the basis of unique construction for faster, easier, better sweeping. Block is $\frac{1}{2}$ usual size—easier to handle. Tufts of longer, better fibres are more compact—provide "spring and snap" action. Handle instantly adjustable to height of sweeper—reduces fatigue and strain. Speed Sweep brushes are built to outlast ordinary brushes 3 to 1.

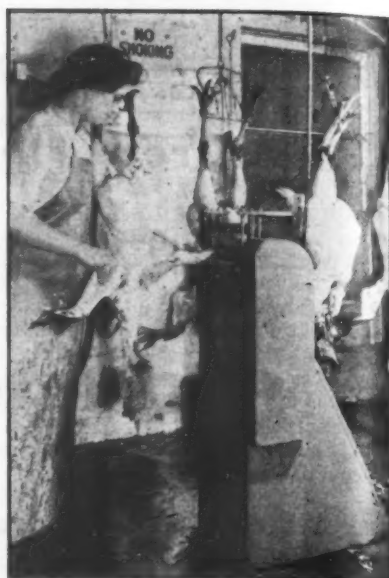
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Since Pearl Harbor Speed Sweep brushes have proved their superiority in many thousands of factories under varied conditions. They are unconditionally guaranteed to meet your requirements. Prompt shipment on AA-5 or higher priority rating. Write for styles, sizes, and prices today.



FOR A HARD PULL

The Kirsten Pipe Co. has its postwar product now, and it's one utterly unrelated to the familiar Kirsten line of aluminum pipes and cigarette holders. Through its affiliated Engineered Products Co., Kirsten is offering a labor-saving machine (right) which pulls out those tough quills at the tips of poultry wings. Local sanitation laws that insist on removal of wing quills before millions of turkeys and chickens go into cold storage annually are creating a brisk demand for the product. Its power-driven rolls have alternating grooves that crimp and withdraw the quills without tearing the flesh. It is represented as doing the work of three men.



were the Chinese expelled (from the countryside), but a large measure of popular sovereignty was established, patterns of oriental exclusion were set for the whole coast (including British Columbia), and constitutional restrictions upon the large-scale ownership of land were passed.

The next wholesale importation was of Hindus, or "ragheads." These too were expelled. They were followed by Mexicans in the early years of this century. They also were expelled. The next to be affected were the Japanese, whose dramatic expulsion in 1942, however official the auspices, had its direct origin in the pattern established with the Chinese 60 years before.

• **Impact of the Newcomers**—Negroes, of course, are not new to any far western city. When they arrived they were promptly relegated to areas free from "restrictive covenants," the legal device by which Negro residence areas are restricted. White newcomers were allowed to live where they wished.

Both groups profoundly affected their new communities. Negroes found a new freedom from the Jim Crow schools, conveyances, restaurants, theaters, and such. Whites found they could no longer demand the deference they were accustomed to receive from Negroes.

Old residents of most of the recently industrialized cities have found that the whole structure of caste of their formerly stable communities has been overwhelmed and obliterated by the newcomers, who are so numerous that they form communities of their own and have developed rudimentary community patterns of deference of their own.

• **Essence of the Problem**—Thus the essence of the Negro problem on the

West Coast is that Negroes have arrived with the whites. The Negroes are only a part—and a small part—of the newcomers, all of whom are seeking new status in a new community. The "menace" of the Negro is thus most acutely felt in Coast communities where people in general are suffering from feelings of insecurity.

By this yardstick, San Francisco, which visitors find "charming and old," meaning that it has a settled society with stable patterns of deference, and which has received relatively fewer immigrants compared with the other cities on the Coast, should be guilty of less race prejudice. All casual observation indicates that this is so.

• **"Invasion" Resented**—A reasoned summation of the problem has been given by Lt. Lawrence A. Oxley, himself a Negro and senior technician of the War Manpower Commission's Bureau of Placement.

After conferences that covered the entire Pacific Coast, Lt. Oxley outlined the points of danger inherent in the new Negro migration.

He found that native white Californians resent the "invasion" of the new Negroes, that native California Negroes equally resented the newcomers of their own color, and that some white in-migrants brought their prejudices with them.

Oxley added that the tensions have tended to be increased by the housing shortage (particularly acute in the case of the Negro) and that the employment condition of the Negroes renders them far more vulnerable to being stranded than the whites.

He reported that two-thirds of the Negro workers in the San Francisco Bay

An employee worry is your worry

If a chart could be kept of employee worries, its hills and valleys might parallel fairly closely the hills and valleys of your production chart.

This is why an employee worry is your worry.

Not all these worries can be set aside.

But some can.

A pension plan when added to potential social security benefits helps to cancel out many of these worries—the

worries of elderly or middle-aged employees about

retirement—the worries of younger employees about the possibility of stepping along into better jobs. The cancellation of these worries reflects itself favorably in your production figures.

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WARNER "Vari-Load" ELECTRIC BRAKES PROVIDE *Greater Safety*

EVER try driving one of your big tractor-trailer trains on slippery pavement? Until you do, you'll never thoroughly appreciate the hazards your drivers and your equipment face. The danger comes from lack of braking control. How different with trailers having Warner "Vari-Load" Electric Brakes! The "secret" of their safety and efficiency is that the driver has absolute control of the brakes on the trailer.

At the first sign of slippery going, the driver can set the "Vari-Load" dial to instantly adjust the electric brakes to fit the road and load conditions — thus giving protection to himself and cargo — and preventing costly loss of time due to wrecked equipment. On all future trailer purchases, specify Warner "Vari-Load" Electric Brakes — world-famous for safety, simplicity, and dependable, efficient, trouble-free performance.

It is significant that 80% of all power-brake equipped trailing vehicles purchased by the government during this war—HAVE WARNER ELECTRIC BRAKES.

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ELECTRIC BRAKES

area were engaged in shipbuilding and that soon after the government discontinues its shipbuilding program two-thirds of the Bay area Negroes will be unemployed.

• The "Ghettos"—Segregation is the common lot of Negroes in the West as it is for Negroes elsewhere in the U. S. Most Negro leaders and social workers condemn the principle of segregation and hold that most other aspects of the Negro problem are directly traceable to it. But there is a split on the matter in Negro communities. There are Negroes who despise their "ghetto" and others who like it—and profit by it.

It can be strongly argued that the so-called Negro ghetto could not endure if it were not for the Negro forces within the community which want it perpetuated. There are Negro leaders at the top—and little people at the bottom—with positions protected by the ghetto community. These include Negro congressmen, Negro newspaper publishers, Negro school teachers, Negro civic officials, Negro preachers, and Negro businessmen who feel that they would lose their positions if their communities were dispersed.

These leaders depend upon their color and the intramural exclusiveness of the ghetto. In general they have accepted as gospel the traditional white dictum that Negroes are social inferiors, and they have consequently remained in the ghetto rather than risk the competition of the larger society.

• Interest in Segregation—These are the people who try to shape and express Negro opinion; and they have a heavy vested interest in segregation.

And such Negro leaders need not fear a revolt of the rank and file. The little Negro, too, has grown accustomed to his lot. It has become for him a comfortable and convenient thing for fellow Negroes to be living next door, across the street, and everywhere around. He believes he would not like the strained stiffness of living in a white or even part-white community. And for him, too, it is a matter of social position. The all-colored community has patterns of position for all members entirely its own.

An indication of how guarded and precious is the social scheme within the Negro community was given in Oxley's public warning of the tensions which the arrival of newcomer Negroes had awakened among their fellows. Here, the little community, the walled society within a society, recapitulated in faithful detail the animosities of the larger group.

• Lack of Housing—But maintenance of segregation produces direct, immediate, and highly inflammatory problems. Segregation, by and large, attempted

BARRACKS IN HOTELS

So bad is the hotel situation in San Francisco that two hotels have turned to barracks, designed especially for servicemen.

The St. Francis recently completed plans for immediate construction of a 125-room plywood barracks in part of the hotel's store space. Completion date is set for Feb. 1.

To facilitate ventilation, partitions for the 6x8-ft. rooms will stop short of the ceilings. Each room will be equipped with a large luggage shelf, table, shaving shelf, mirror, and chair. And unlike many temporary accommodations for servicemen, each room will have a compartment that can be locked.

The Fairmont Hotel now has under construction rooms for 350 military personnel. Bachelor officers' quarters will be provided for 130, and floor alterations on the mezzanine, seventh, and top floors will provide the remaining new accommodations.

San Francisco, the chief port for men and supplies for the war against Japan, continues to discourage visitors to the city. Last summer the hostilities successfully thwarted Army plans to take over some of the largest hotels (BW—Aug. 12'44, p32).

to confine the doubled Negro population in Pacific Coast industrial centers to the previous Negro areas, which in some cases were already overcrowded.

The newcomer whites in general were much better off, since they could live where they chose. Local circumstances mitigated this condition of crowding, so that possibly in no case was there a literal doubling up, but the usual symptoms of overcrowding—the rise in crime, in juvenile delinquency, in disease—have shown themselves in the Negro areas of all the new Pacific industrial cities.

• Jobs and Discrimination—Before the war Negroes were mostly limited to transportation jobs (porters, waiters, red caps, etc.), household work, and the rougher brackets of city and county work, such as garbage disposal—and in that order of importance.

At present so many barriers have been broken down that their chief employment now is in the aircraft and ship-building plants, with transportation second, then city and county work, federal jobs as clerks in post offices, and clerking in chain stores—with the old house-

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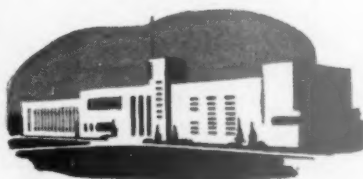
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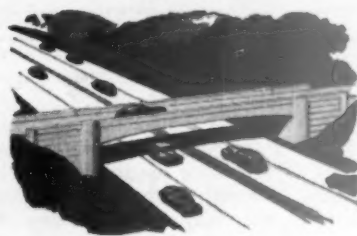
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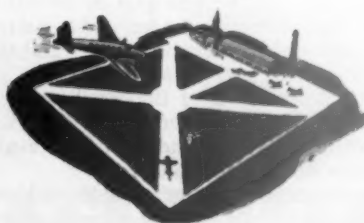
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BOMBPROOF STORAGE

With enemy air threats now dissipated, Akron's Firestone Tire & Rubber Co. converts its model bomb shelter (above) into a root cellar. Into the 60x7-ft. cylindrical cavern are going tons of company-grown vegetables, including 1,000 bu. of potatoes (left), which are to be used in plant cafeterias. For its work in growing them and in helping workers to produce food for their own use, Firestone recently won the National Victory Garden Institute's annual award for the second successive year.

hold jobs now having no great importance in the Negro economy.

However, this change has not come without a struggle, the main engagements of which are possibly still to be fought. Almost without exception, wherever the barriers have been let down provision has been made to raise them again.

• **Union Barriers**—In the aircraft and shipbuilding industries there are two catches: one the provision in the ritual of the International Assn. of Machinists that members must be "white," and the other the constitutional provision of the Brotherhood of Boilermakers, Iron Shipbuilders, Welders & Helpers that Negroes shall be inducted into auxiliaries of chartered locals.

These two unions (both A.F.L.) dominate important segments of industry on the Pacific Coast. And the Negroes can lodge against them not only the charge that the union leadership has given them equivocal status—still subject to change and court review—but that, by long delay in accepting them in the first place, the unions

have deprived Negroes of the seniority which they might otherwise have acquired.

• **A Rule Overlooked**—Belatedly the I.A.M. chose to overlook the provision in its ritual that members must be white, but it has not removed the requirement from the ritual. Nor has I.A.M. legally changed its nature from a craft to an industrial union. It now accepts anybody, from window washers to truck drivers, provided he works for a company with which the I.A.M. has a contract.

It is an open question how far back I.A.M. will go if and when it culls its membership. Will it strike nonwhites from the rolls, in accordance with its ritual? Will it strike nonmachinists from its rolls? In either or both cases those who are left will have preferred access to jobs.

• **Obstacles to Jobs**—The I.A.M. resisted the demands of Lockheed at Burbank to admit Negroes to membership until late in 1942, and the company finally began large-scale hiring of Negroes in 1943, by which time only

Negro women were available in the labor market.

The I.A.M. resisted permitting Boeing in Seattle to hire Negroes and never did extend full membership to them.

It set up a system of 30-day renewable work permits, at \$3.50 each, a system which caused considerable difficulties when paying (but unprivileged) "members" found that the union charged them more for the right to work, without security, than it collected from its full members.

• **Segregation by Union**—But the boilermakers, with their Negro auxiliaries, ran into more trouble. The Fair Employment Practice Committee had to hold hearings in both Portland and Los Angeles to iron out the troubles of this union. As a result of its report, President Roosevelt asked the international convention of the union to outlaw the system of auxiliaries for Negroes. William Green, A.F.L. president, indorsed the appeal, but the convention voted unanimously to retain the system. It did, however, agree to seat delegates of the auxiliaries at the convention.

Though it was not without a fight that Negro membership in the auxiliaries finally was set up in late 1942, in both San Francisco Bay and Portland, by March, 1943, the union had 20,000 Negro members in the Bay area alone.

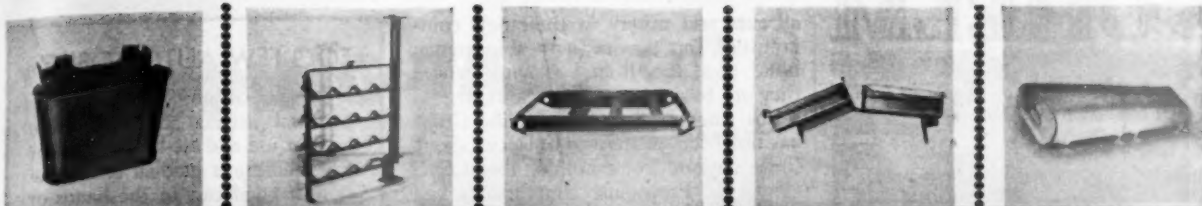
• **C.I.O. Record**—The record of the C.I.O. on the Pacific Coast with regard to Negro unionists is better than that of the A.F.L. unions.

The wave of so-called "hate strikes" which affected C.I.O. unions, particularly the U.A.W., in the East and Middle West during 1941 and 1942 did not penetrate to the Coast. During this period there was only one isolated case of that kind on the Coast. The incident occurred in February, 1942, when North American Aviation was forced to defer upgrading Negroes until the U.A.W. had sent a peremptory letter to its recalcitrant Local 887.

Actually the strong antidiscrimination stand of the C.I.O. unions on the Coast may have forced the series of concessions which A.F.L. unions have made so far. The direct competition of the C.I.O. can be said to have forced industrial unionism upon both the I.A.M. and the Boilermakers.

• **In the Big Money**—The troubles of the Negro with some of his labor unions cannot possibly obscure his actual gains. Many Negroes went to California from despicable living conditions. Nearly all have bettered themselves beyond their wildest dreams. In fact Oxley has reported that most of the Negroes in the San Francisco Bay area intend to stay there after the war.

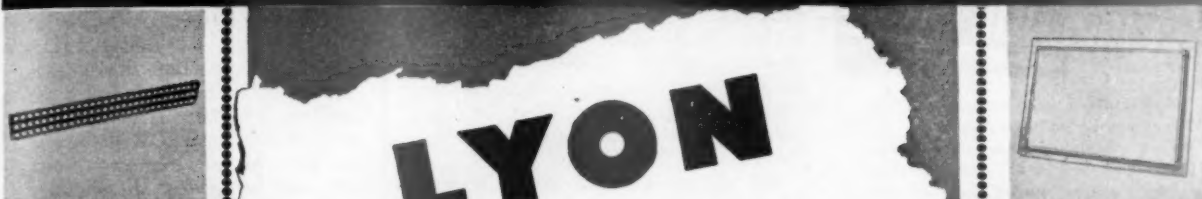
These Negroes may have suffered



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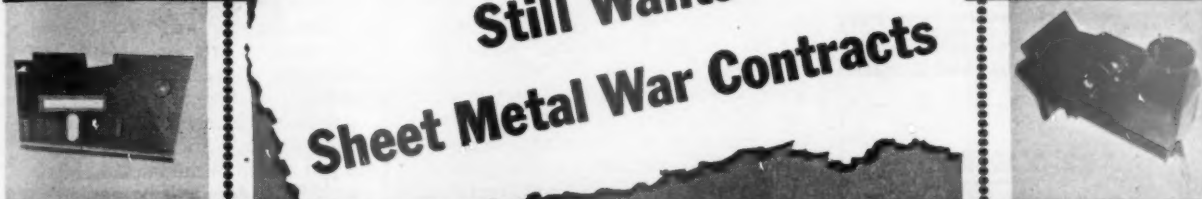


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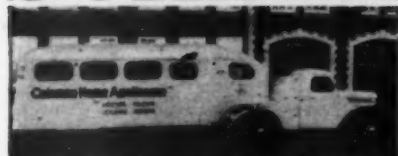
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affronts and misery in their new communities, but they're in the big money now, and they'll risk staying where they are to get another crack at it.

• **Los Angeles Acts**—The Pacific Coast has not been entirely complacent about the situation. For example, liberal clergymen of Protestant churches in Los Angeles started a movement to cope with race tensions which have now spread to affect the whole coast.

The Church Federation of Los Angeles formed the Council for Civic Unity, composed of 150 organizations ranging from labor unions to businesses. Nominally the council simply sat at the sidelines, contenting itself with applauding or condemning. Actually it began to exercise influence by reason of the immediacy of the problem and the tremendous weight of the council's affiliations.

• **Unity Fostered**—It took occasion to applaud when Hollywood writers adopted a code aimed at keeping the screen free from the taint of race animosity. It nodded approval when the Kiwanis Club adopted a code.

But the council was directly responsible for more tangible gains. It brought into existence the Mayor's Committee for Home Front Unity, and the Los Angeles County Committee for Interracial Progress. The council's fame spread rapidly, and last August, interested San Franciscans invited one of the clergymen who organized the council to tell them how to do it, and promptly thereafter announced formation of the San Francisco Council for Civic Unity, with identical aims.

• **Strike Averted**—A notable example of the Los Angeles Council's effectiveness occurred last summer when a dispute over promotion of Negro employees to operating jobs threatened to cause a strike on the Los Angeles transit system. The Amalgamated Assn. of Street Railway Employees, Local 1,277, A.F.L., would not yield, and the C.I.O. attempted to recruit Los Angeles Railway Co. employees, thus bringing the discrimination into focus.

The Los Angeles Council for Civic Unity moved into the picture, charging both the company and the A.F.L. union with unfairness. This paved the way for a hearing by the FEPC which issued a directive requesting compliance. The order became effective without incident, in marked contrast with the situation in Philadelphia where a strike was accompanied by rioting. FEPC members gave the Council for Civic Unity much credit for the peaceful settlement in Los Angeles.

• **Streamlined Segregation**—There is a broken line of connection—politics have obscured the details—between these city-county committees and Willowbrook, a

TOO FEW AUTOMOBILES

Because automobiles owned by essential drivers are getting the hardest use and are breaking down first, there is a gradual concentration of good cars in the hands of nonessential drivers. Seriousness of this problem is revealed in a survey just completed by the Office of War Information.

Autos are being scrapped at the rate of 4,000 a day—an estimated 1,500,000 for 1944.

Less than 20,000 new cars (1942 models) remain for rationing, and stocks of used cars are estimated at only 650,000.

The net number of privately owned passenger cars in operation at the end of 1944 is estimated at 23,750,000. The Office of Defense Transportation figures that the minimum requirement for the civilian economy is 20,000,000 cars. But because 54% of the cars on the road are over seven years old, and because of the shortage of parts and repair facilities, ODT doubts that this margin of safety is wide enough.

Less driving and greater conservation of cars are cited as the two prime needs if the private automobile transportation system stands up. Meanwhile, sale of 2,000 surplus Army passenger cars is just a drop in the bucket. Many more such sales will be needed to provide even negligible relief for the over-all shortage.

proposed model community for 40,000 Negroes on a 240-acre site ten miles south of Los Angeles. Willowbrook appears to be the first organized civic effort on the Pacific Coast to streamline segregation and make it palatable or even enviable for Negroes.

The official version of the project's history is that a small group of promoters induced the Los Angeles Regional Planning Commission, a county agency, to design the model community. With this instigation, these obscure promoters retired backstage while the play went on without them.

• **University Pledged**—The planning board got to work on designing the project. Meanwhile Paul Williams, a Negro architect who has designed the lavish homes of many of Hollywood's great as well as homes for poor Negro workmen, became interested in the project.

Another Negro—Herman Hill of the Pittsburgh Courier—announced that there would be an endowment for

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satisfaction, Mr. Willard D. Holt, Assistant Secretary of Provident Mutual, says "The entire cost of equipment and installation, including rewriting data on 300,000 lighter weight cards, was completely paid for through operating economies in less than five years. This Kardex Record Control has been in use since 1929, and only once, four years ago, was it necessary to do some minor overhauling at a nominal expense."

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a university for Negroes at Willowbrook.

• **Decision Awaited**—All indications are that an announcement concerning Willowbrook plans is imminent.

Pending definite determination whether the entire section is to be made available exclusively for Negro housing, new houses built by developers before the Willowbrook proposal was made are standing idle. They can neither be sold nor rented until final decision on developing the area is made.

The site selected for Willowbrook, as outlined by the Regional Planning Commission, is a fairly arbitrary block of territory which happens to comprise a small extension of the Negro Central Ave. community, part of the incorporated village of Compton on the south-east, an industrial site, and a couple of new subdivisions built for and partially tenanted by whites.

• **Bigger Problems**—The economics of Willowbrook are well known to every banker dealing in Los Angeles real estate mortgages. The spread of Negro occupancy, now quietly expanding in spite of restrictions, has an adverse effect on real estate value—at least for occupancy by white purchasers. Therefore part of the financial risk of Willowbrook can be borne by other taxpayers, since it can be considered an insurance policy against Negro infiltration.

Willowbrook is easily the most dramatic of the projects coming out of interracial efforts in Los Angeles. But far bigger are the problems of teaching and preaching cooperation, and of creating an economic place for the Negro in the West. The whole western economy is precarious, what with an uncertain postwar future for airplane plants and shipyards, but the Negro is in the most vulnerable position of all.

Feeding Minerals

More and heavier calves obtained by using minerals on pasture as fertilizer. Results of five-year test are announced.

Mineral feeding of range cattle is given credit for a bigger beef crop, more calves, and larger yearlings at market time in many sections of the country and especially in the coastal sections of Texas, Louisiana, and Florida.

• **Ranchers Cash In**—Cattle from the coastal sections were once considered inferior, small, and slow of growth because of range deficiencies.

Experiments in feeding minerals to range cattle have been conducted for a number of years, and now several hundred ranchers are cashing in as mineral feeding gives them more and heavier calves. At market time mineral-fed calves weigh 20 lb. to 80 lb. more—at a cost of less than 5¢ a lb. for the added weight.

• **Several Methods**—Results of a five-year feeding experiment have been announced by a cooperating group including the Bureau of Animal Industry, Dept. of Agriculture; the Texas Agricultural Experiment Station, Texas A. & M. College; and Robert J. Kleberg, Jr., operator of the King Ranch, Kingsville, Tex.

Although several methods of giving minerals (other than the always essential common salt) to cattle have been used, including individual doses, mineral troughs, minerals in the drinking water, the best results in this experiment have been obtained, for a large number of cattle, by fertilizing pasture lands. Indi-

vidual dose methods were used as checks against other methods.

• **Superphosphate Used**—According to Kleberg, the best results so far have been in applying triple superphosphate, which runs 45% to 48% P_2O_5 , at the rate of 160 lb. per acre, making approximately 77 lb. of P_2O_5 per acre applied to the grass which is mainly sage grass and sand hill grass.

Application has been made with fertilizer drills; however, ranchmen suggest use of revolving limestone spreaders.

• **The Results**—One experiment on the King Ranch with 57 cows on fertilized pasture of 640 acres showed an average weight of 704 lb. in 1941, 1,036 lb. in 1942, 1,027 lb. in 1943, and 1,062 lb. now after three years on the pasture. Cows on adjoining 640 nonfertilized acres increased from an average of 707 lb. to 858 lb. at the end of three years.

On nonfertilized pasture there was a calf crop of 90%, 88%, and 83% for the three years, with the first year's calves weighing 499.8 lb. at weaning time. Cows on the fertilized pastures produced a 100% calf crop each of the three years with calves weighing 544.1 lb. the first year at weaning and 582 lb. the third year.

• **Used With Salt**—Many Texas, Louisiana, and Florida ranchmen are including mineral fertilization in range land programs; however, many of the coastal ranchmen and farmers whose pastures are subject to frequent overflow and washing are getting good results from mineral placed in boxes over the range lands.

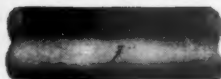
During dry weather and winter months, the minerals are mixed half and half with stock salt for the boxes; during the lush growth of grass in the spring, one-third salt is mixed with the minerals.



Grazing in a fertilized pasture, a King Ranch herd readily shows the benefits of an enriched diet (left) when compared with critters of the same age and breed raised on the unfertilized range land of an adjacent field (right).

SPERRY ELECTRONIC FLAW DETECTOR

saves \$2000 per week in tool breakage!



Rejected bar with only tiny surface flaw noticeable.



Depth and length of same flaw exposed by filing.

Each bar can be inspected at the rate of 80 feet per minute or more. Flaws or inclusions as short as 1/16-inch are detected electronically.

How RCA Electron Tubes Help Locate Hidden Flaws in Bar Stock

This is the story of a New England manufacturer* who used electronic inspection to solve his problem of excessive tool breakage.

In machining parts from brass bar stock, invisible flaws and inclusions in the brass caused tool breakage costing over \$2000 per week.

To solve the problem, an electronic flaw detector, developed and manufactured by Sperry Products, Inc., Hoboken, N. J., was purchased to inspect all stock before machining. The new inspection method detects defects which would cause tool damage and resulting shut-down. In the first six weeks of operation, not one tool was broken, tool wear was sharply reduced, and production increased 60%!

How Does It Work? The Sperry electronic flaw detector consists of an electron-tube oscillator, a detector coil, and a sensitive electron-tube indicator. The oscillator supplies alternating current to the detector. The brass is passed through the detector (see photo). If a flaw is present, the indicator circuit signals the operator and stops the machine. Seventeen small RCA electron tubes are used.

*Name on request

Defects as short as 1/16-inch can be located in both ferrous and non-ferrous materials. The detector works equally well on welded or seamless tubing and on bar stock, and locates external or internal defects, such as splits, seams, and inclusions.

Advantages: In addition to preventing damage to tools and machines, automatic electronic detection improves product quality, reduces final inspection rejections, and prevents failures in the field caused by defective material.

For Further Information on the electronic flaw detector write to Sperry

Products, Inc., Hoboken, N. J. If you have some other problem involving the use of electron tubes, RCA tube application engineers will be glad to help you or to put you in touch with a manufacturer who can.

For a copy of the free 32-page booklet "Electrons in Action at RCA" which shows electronic devices at work in our own factories, write to Radio Corporation of America, Dept. 62-18B, Harrison, N. J.

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Leaf at Auction

Huge burley crop, now up for sale at tobacco markets in Kentucky and Tennessee, is of lower quality than 1943 leaf.

Last week tobacco auctions opened in Kentucky, where nearly 80% of the crop is grown, and in Tennessee.

• **Below 1943 Quality**—But the estimated 488,000,000 lb. (U. S. Dept. of Agriculture estimate)—normally enough to make sufficient cigarettes for all the nation's smokers—offer little immediate hope for breaking the shortage that is currently annoying in varying degrees the government, the Army and Navy, and a host of civilian smokers.

Ironically, the huge burley crop is of lower quality than last year's smaller crop. It is "heavy" and thus more suited to the manufacture of chewing tobacco, and it is "light" on the higher grades required for cigarette making.

• **Only Growers Smile**—Thus, neither civilian smoker nor manufacturer can be happy over the prospect, and it is only the growers who wear the smiles. They are receiving somewhat less a pound for the current crop than they did last year, but the "take home" checks are larger.

To date price averages stand around 44¢ a pound, and afford a neat contrast—particularly for the buyers—with the 15¢-to-18¢ averages that prevailed before the war, on the same or higher grades of leaf.

• **No Real Auctions**—So far in the young 1944 auction season for burley—other belts, such as Virginia and the Carolinas, either have closed and completed their selling seasons, or are very near the end—business has been humming. Late estimates indicate that only some 40,000,000 lb. of Virginia "bright leaf" remain out of a total of some 1,000,000,000 lb.

The auctions are, in a sense, a humorous farce, for the auctioneers, whose chants are now well known through radio advertising, are actually only going through motions of a true auction. Baskets of leaf are brought in several days in advance, and are carefully graded, each one bearing the Office of Price Administration ceiling for its grade. Few baskets have, thus far, failed to bring this ceiling. The result is, the auctioneer must try to allocate fairly the existing warehouse supply among the buyers for the different companies—and according to a prearranged quota.

• **Full Quota Assured**—Some companies fail to get their requirements at a given auction, but eventually each will get its

full quota because federal authorities have fixed total manufacturers' quotas substantially below the total crop.

Tobacco men, by the way, feel that this total will run higher than the federal estimates, may exceed 500,000,000 lb. of burley when the selling season closes sometime in February.

Too Many Hens

WFA hopes to cull poultry population drastically by Mar. 1, but farmers are waiting to see if incentives are offered.

War Food Administration has nothing but trouble on its hands in trying to reduce the country's poultry population—and incidentally to cut egg output. This is admitted in Washington and emphasized by field surveys.

• **Unrealistic Plan**—To start with, WFA's 1945 goals called for a hen-and-pullet population on farms Jan. 1, 1945, of 420,000,000.

This, WFA recognized, was unrealistic; there couldn't be enough killed off between announcement of the program late in November and the year-end. So the campaign actually is for 354,000,000 hens and pullets on Mar. 1—which involves culling flocks 57% more heavily than normal between now and the deadline.

• **\$1 for Old Hens?**—Farmers, meanwhile, have been slow to respond for two reasons:

(1) The rumor has persisted that WFA would offer a bonus of \$1 each for old hens killed. Hopes for this incentive payment haven't been entirely dashed by official statements that the plan was considered, then discarded as too expensive.

(2) The new price support program (27¢ a dozen for candled eggs, 24¢ for uncandled announced in mid-December) doesn't discourage egg production, especially now that the feed situation has become favorable.

• **Production Rate Gains**—Big egg surplus centers in Iowa, southern Minnesota, northern Missouri, and eastern Nebraska hold the key to much of WFA's trouble. There better feeding and management of flocks have boosted rate-of-lay tremendously. Hens in Iowa, for example, have shown increased production for 43 consecutive months by comparison with year-ago egg-laying rates.

• **May Export More**—Producers lost faith in the government's support program during the 1944 surplus. Price then was 27¢ straight—no distinction between candled and uncandled, even



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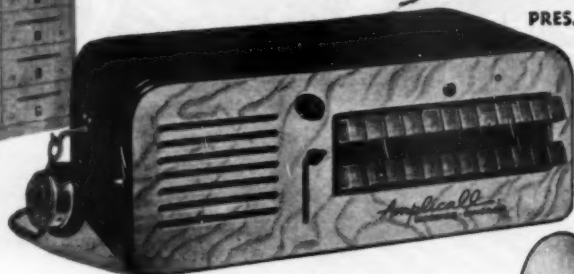
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TO ALL EMPLOYEES

IMPORTANT NOTICE!

We take pleasure in announcing completed installation of our **AMPLICALL** Communications System throughout the plant. This provides instant contact with any individual without loss of valuable time, also immediately locates anyone away from his desk. The loud speakers are utilized for announcements of general interest, musical programs, public addresses, etc. This addition will unquestionably add to our efficiency and afford new opportunities for both social and business progress.



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The Rauland Corporation . . Chicago 41, Illinois

though losses are larger on the run-of-the-nest eggs. In the period of heaviest surplus, prices got down to 20¢ and 21¢ in the Midwest. (WFA, meanwhile, had to dump eggs at 5¢ a case of 30 doz. for tankage to be fed to live stock.)

Heavier shipments overseas offer some hope of a solution, but farmers doubt that these will be fully effective even though experiments with oil dipping have proved highly successful in preserving freshness in shell eggs.

HEMP PLANTS FOR SALE

Uncle Sam has tacked "for sale" signs on federal hemp plants built during the war to process domestic hemp as a substitute for unavailable imported fibers. Defense Plant Corp. financing for 42 plants was authorized in 1943 (BW-Oct.23'43,p40).

Some of the plants will be busy well into 1945 processing this year's crop and the holdover of the 1943 crop, but the War Food Administration has announced that the hemp program would be discontinued. Tonnage produced in 1943-44 is believed sufficient to meet needs for two years (BW-May6'44,p44). Acreage dropped from 180,000 in 1943 to 60,000 in 1944.

The subsidized hemp program was popular with farmers, but the mills prefer the quality of imported fiber, which normally comes from Central and South America, India, and Italy.

It is possible that some of the hemp mills may be taken over for alfalfa drying or for feed manufacture.

UNIFORMS DEDUCTIBLE

A decision that may have far-reaching effect was handed down in San Francisco last week when the U. S. Ninth Circuit Court of Appeals ruled that the cost and maintenance of uniforms may be deducted from federal income tax reports of persons required to wear uniforms exclusively on their jobs.

The test-case appeal was brought by the Commissioner of Internal Revenue who sought to set aside a decision of the Tax Court, which had held that Marcus O. Benson, California highway patrolman, was within his rights in 1940 in deducting from his gross income expense \$172.50.

Internal Revenue charged that there was a tax deficiency of \$6.83 for the year, and that cost and maintenance of a uniform was a personal expense.

The circuit court held that the cost and maintenance of a uniform "were ordinary and necessary expense . . . incurred and paid for the production of income."

SYNTHETIC TIRES O.K.

The new synthetic rubber passenger car tires are good for 37,500 mi., plus an additional 22,500 mi. after recapping, provided they are driven not more than 35 m.p.h. and kept properly inflated, American Automobile Assn. reports on the basis of a 25,000-mi. road test.

Tires (all 6.50x16) made by six different manufacturers, purchased at random from retail dealers, were used. "Estimated total mileage before exposing fabric," based on measured wear, was placed at 27,800 mi. for the tire that was worn down the most, and 44,900 miles for the tire showing the least wear. Two other tires of pre-war manufacture retreaded with Grade C camelback indicated total mileage of 28,500 and 32,400, respectively, from which the A.A.A. concluded that recaps on synthetic tires should add at least 22,500 mi. to life of the original tire.

Synthetic rubber tubes also came through with credit. Of five different makes tested, only two failed, after 17,749 mi. and 24,305 mi., respectively.

DRINKING BAN REVIVED

During the year and a half that it has been on the municipal law books, the Atlanta (Ga.) ordinance prohibiting public consumption of intoxicants (BW—May 1 '43, p24) has been observed more in the breach than in the acceptance.

If city police were aware of this, they did a successful job of ignoring it—until they cracked down a fortnight ago. In simultaneous raids along Atlanta's festive Peachtree St., detectives served notice that the tolerance of prohibitionists is at an end.

Proprietors of four popular entertainment spots were taken into custody. The four are liable, if convicted, to fines of \$100 and 30 days' imprisonment.

NEGROES AS HOUSEHOLDERS

The National Assn. of Real Estate Boards, in furtherance of its campaign to encourage better housing for Negroes, has determined through a nationwide survey of its members that the Negro is at least as good an economic risk as other race groups on the same economic level.

The association found that as a tenant the Negro takes as good care of his premises as other tenants of his eco-

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conomic class; if property is in good repair when he buys it, he takes good care of it; the Negro home buyer meets his payments as faithfully as white buyers on the same economic level (often more so).

A majority of N.A.R.E.B. members with Negro housing experience reported that there is no reason why insurance companies should not purchase mortgages on properly located and managed properties to be occupied by Negroes.

The replies to the survey indicated that in 147 cities out of 330, Negro housing is a real and immediate problem. Many responses underscored the fact that relatively few properties in good condition are sold to Negroes.

ORANGE BLIGHT FOUGHT

Southern California orange growers, long plagued by tree maladies, are waging scientific warfare against a new and mysterious enemy—called "die back" or "quick decline" for lack of a more exact name. It is prevalent in the San Gabriel Valley, an area 10 mi. wide and 30 mi. long, east of Los Angeles, where since 1940 it has destroyed between 300 and 400 trees.

The malady attacks only trees budded on sour orange root stock, causing the roots to rot and the leaves to wither and fall off in as little as two weeks. Exhaustive research and experimentation have failed to put the finger on any cause.

Dr. H. S. Fawcett of the University of California Citrus Experiment Station at Riverside admits that he and his fellow researchers still don't know a thing about it.

HARVEST GOAL EXCEEDED

The Massey-Harris Harvest Brigade, inaugurated by the farm equipment manufacturer last spring with the blessing of the War Food Administration to help get in the expected record wheat crop (BW—Apr. 22 '44, p. 26), has wound up the season in a blaze of glory by exceeding its own goal of harvesting 1,000,000 acres.

Made up of 500 self-propelled 14-ft. combines manufactured in Canada under a special materials quota on WFA's request, the Harvest Brigade started work in May in southern Texas and moved north with the harvest. A few of the machines, allotted to the West Coast, did not finish up the late crop until early this month.

Massey-Harris is proud of the fact that the self-propelled machines yielded an extra 500,000 bu. of wheat which company officials said would have been mashed flat on the opening swath if tractor-drawn combines had been used.

More G.I. Knives

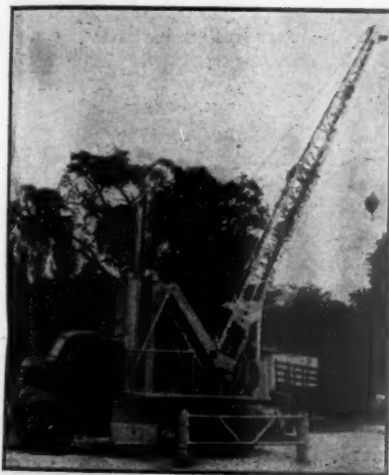
Enormous requirements by both Army and Navy will cut production of blades for civilians to 10% of normal—or less.

Both the Army and the Navy are buying knives as though they were going to fight the war hand to hand. But most of the knives are cutters, not stickers.

Navy wants 7,400,000, and the Army 2,000,000 in the next four months—a total that the industry cannot possibly produce in that time because of labor shortages.

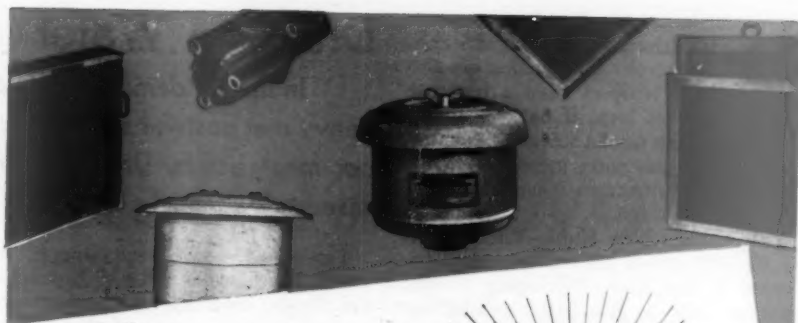
• **For Barter**—The Army's comparatively modest requirements are double the number bought by this arm of the service during the last quarter of 1944. The rise in demand probably reflects increasing barter between soldiers and friendly natives, as well as military necessity.

The standard G.I. knife resembles the Boy Scout model with two blades,



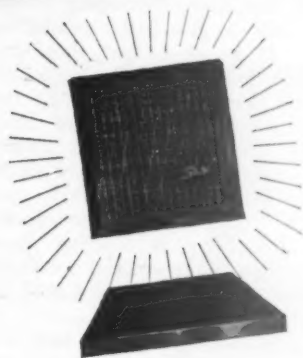
LIFTING BY LIQUIDS

Radically new in mobile hoisting equipment is a six-ton hydraulic crane, built on the chassis of a 1½-ton truck which provides power and transportation. Riggings of winches, gears, and cables are eliminated by use of a telescoping boom which does the lifting. Four extension feet underneath relieve the truck of the load. Covered by 53 patents, the machine is slated for production next month by the newly organized Milwaukee Hydraulic Corp. of Milwaukee.



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You can build a better air filter out of scientifically fabricated metal—and also one that is far less expensive in the long run.

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Whether you use panel filters or not, every Air-Maze product—more than 3,000 of them—offers you the advantage of nearly 20 years' experience in air filtration. Whatever your problem, Air-Maze engineers will be glad to recommend or to design a filter to meet it. Remember—if it uses air, use Air-Maze.

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a reamer, a combination bottle opener and screw driver. The screw driver is made to fit screws on machine guns.

Parachute troopers need a blade to cut themselves loose if entangled; Signal Corps men need a stripper to remove insulation from wire; mountain troops use a screw driver to repair the metal edges of their skis.

● **Developing New Knife**—The Navy is 1,500,000 knives behind on orders because it has been developing a new pocket knife to give better satisfaction in use. It hopes to get these and 3,000,000 more by early summer for the 3,000,000 men in the Navy, 800,000 for the 500,000 marines, and about 600,000 for ship stores and services (where men can buy replacements for lost equipment). In addition to such enormous requirements for pocket knives, the Navy is ordering about 500,000 fighting knives and 1,000,000 one-bladed knives for Coast Guard life jackets.

The new Navy-issue pocket knife will have a plastic handle, one big and two small blades, an improved can opener, but no leather punch. This will replace the 22¢ two-bladed knife the Navy has discarded.

● **Fewer at Home**—Civilian stocks have benefited by the recent lull in military buying, but now civilians will be lucky if they get 10% of normal production. Incidentally, the armed forces prefer that servicemen use G.I. knives rather than those sent by fond parents.

Drain on Water

Industrial demands are so heavy that postwar supply may not meet needs. Underground reserve is seriously depleted.

Prodigious water requirements for war factories are drawing so heavily on the supply, especially the underground reserve, in many parts of the country that the Geological Survey warns that postwar industry may be seriously affected.

Flood control, better spacing of wells, studies of the industrial quality of water in 33 major manufacturing areas, and stricter regulation are all suggested to help remedy the situation.

● **It Takes a Lot**—Industry's drink is a big one. One airplane factory alone needs 20,000,000 gal. a day for its cooling system. In Louisville, war plants are gulping 75,000,000 gal. a day for the manufacture of alcohol and synthetic rubber.

It takes 1,250 gal. of water to make a keg of beer, 25 gal. to make 1 gal. of aviation gasoline, 75 for a pound of rayon, and 100 for a pound of gunpowder. A ton of paper, depending on the kind, requires from 5,000 to 170,000 gal. of water. On Long Island so much water has been pumped from the ground that fears exist that salt sea

water may seep in and possibly ruin the island's whole supply. Brooklyn is one of the serious shortage areas.

● **Many Requirements**—Water for industry not only must be plentiful but also must be the right kind and the right temperature. Impurities will make beer bad, bread tasteless, wool take dye unevenly, laundry turn yellow, and will leave sediment in carbonated drinks. Boilers and steam pipes will clog. The very location of a factory frequently depends on an analysis of the water.

Uses of water for air conditioning have grown so large in some sections that the water is being returned to the ground after use. This has sometimes raised the temperature of the underground water so much that it was useless for further air conditioning. Experiments soon will be started on running cold water from winter streams into natural reservoirs below the surface to store it there for summer use.

● **Large Amount Wasted**—Basically, the trouble is neither heavy use nor lack of rainfall. It's the run-off. Surface water that flows back to the sea every year would cover 80% of the U. S. with a foot of water. It would give every person in the country 10,500 gal. per day, or 100 times as much water as present per capita consumption. That's why flood control is needed.

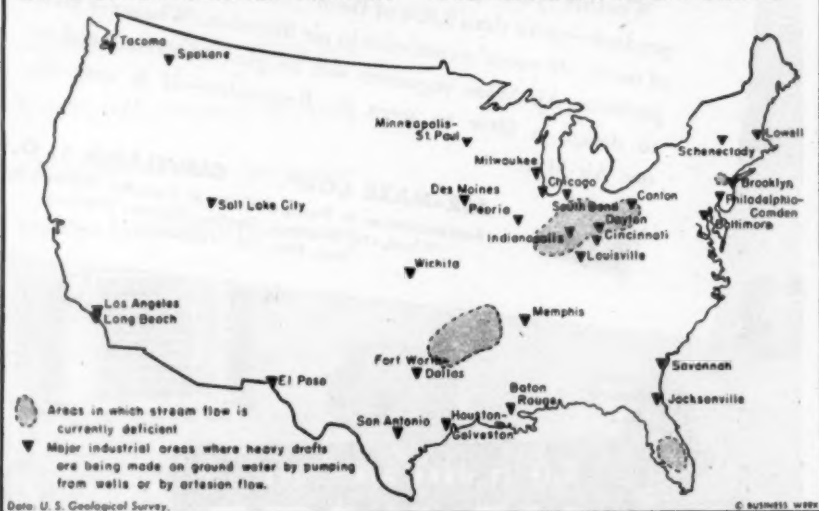
Replenishment of water supplies varies greatly from year to year across the country. The water year which ended Sept. 30 was the third wettest on record in the area from Kansas to Manitoba, and a second wet area stretched from east Texas to northern Florida. But there were droughts in the important hydroelectric and industrial areas of the Northeast and Northwest.

● **Below Last Year's**—Irrigation supplies are about normal. Reports from 35 representative reservoirs show a volume estimated at 40% of capacity, about 10% below last year's above-average storage. Public water supplies for larger cities in New York, Massachusetts, New Jersey, Pennsylvania, and Maryland are 95% of last year and 87% of normal.

About 900 persons are employed by the Geological Survey in investigating water resources, a number that would be considerably larger if funds were available and if war had not taken 200 into uniform to aid the armed forces in solving water problems in such difficult terrain as the South Sea islands.

● **New Methods Sought**—Geological survey plans, contingent on approval by Congress, include drilling of test wells, more water analyses, extended studies of stream behavior, and the use of new equipment such as amphibious trucks, helicopters, automatic radar sending, receiving, and recording devices, and special boats for use in flood areas.

UNDERGROUND WATER—THE SHORTAGE AREAS



Two conditions are superficially responsible for serious shortage of underground water—deficient stream flow, and heavy pumping for public water supply, air conditioning, and industrial operations. But behind both of these lies the real basic cause—run-off, the surface water which flows unimpeded into the ocean. That's why the only permanent remedy for shortages which may seriously affect postwar industry is a comprehensive program of flood control.

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PRODUCTION

Hay Driers Click

Forced-air curing of green hay opens up vast new postwar farm market for machinery and materials for installations.

Forced-air barn-drying of freshly cut hay by means of simple, low-cost installations (BW—May 8 '43, p20) is producing such satisfactory results that manufacturers are taking energetic steps to get a slice of the enormous new postwar farm market which this new method of curing one of the nation's principal farm crops opens up for machinery and materials.

• **Installations Examined**—The active interest of manufacturers in the hay driers was disclosed at the recent Barn Hay Curing Conference in Knoxville, Tenn., sponsored by the southeast section of the American Society of Agricultural Engineers. Present to examine hay-drier equipment in use on farms near Knoxville were representatives of manufacturers of farm machinery, electrical equipment, fans and blowers, forest products, instruments for measuring moisture, as well as engineers representing power companies, which see the driers opening up a new demand for electrical energy on farms.

The manufacturers' representatives expressed belief that improved hay driers will become an important postwar product. Most of the driers installed to date have been constructed from whatever materials and motors farmers and experimenters could find.

• **Long-Sought Goal**—Artificial drying of hay has been a pet idea of promoters for a couple of generations. Numerous big commercial plants, using fuel heat and involving considerable investment, have been built from time to time. Some of these are still in operation where big tonnages of hay are produced within easy trucking distance.

Most commercial driers turn out dried alfalfa to be ground into meal for mixed feed for poultry and livestock. A few big dairies also operate such plants to cure hay for their herds.

• **Cost Barrier Hurdled**—But the investment required for such plants put them beyond the reach of the average farmer, and this problem was tackled a few years ago by agricultural engineers of the Tennessee Valley Authority in cooperation with the state agricultural extension agencies of Tennessee and

Virginia. Experiments disclosed that satisfactory installations could be made on farms with a relatively small outlay.

A few installations were tried out on private farms under ordinary working conditions, and these delivered such excellent hay at nominal cost for plant and power that their fame spread rapidly. Last season some 500 installations were approved by the War Production Board. Permits for these were quickly grabbed up (mostly by farmers in Tennessee and Virginia who had seen what neighbors' driers could do).

Limited trials of driers on a wide variety of crops, including corn, peanuts, and rice, have been quite encouraging.

• **Farm Headache Cured**—Barn-drying of hay with these low-cost outfits (which usually consist of a power-driven blower and air ducts laid on the floor of the hay loft in existing barns) takes out of farming one of the worst headaches of all crop operations—the risk of rain's either damaging or wholly destroying hay left in the field to cure under conventional methods.

It also appears likely that the hay driers will enable farmers to spread out field work so that they will be able to avoid the peaks in labor requirements that are now so serious.

• **Feed Values Retained**—Freshly cut hay runs 75% to 80% moisture, which has to be reduced to not more than 25% before barn storing is safe. Drying to that extent in the field takes two or

three days in good weather, depending on the kind of hay and the humidity. During field-curing much of the most valuable feed qualities of the hay are lost. When barn-driers are used these problems are minimized if not wholly overcome.

Even curing in fine weather means heavy losses in feed value of the crop because sun-dried hay tends to lose leaves easily while being handled from the field to the barn and from storage to the manger. This is particularly true of alfalfa, the clovers, soybeans, and other legumes that make the best hay. Barn-curing almost completely eliminates this tendency to shatter.

• **Protein Much Higher**—The practice with barn hay-drying up to now has been merely to wilt the hay enough to reduce the moisture content to 60% or less. Then the still green crop is hauled to the barn, spread over the drying system, and cured there.

By this method the green color—which means carotene that turns to vitamin A in any animal—is retained. The protein content of the hay also is much higher than in all except the highest quality of field-cured hay. And it is protein that is the most necessary element in feed for producing milk and meat—and the most expensive to buy.

• **Tight Floor Essential**—Practically all the hay-drying installations thus far have gone into existing barns. The first requirement is that the loft floor must be tight, which usually means laying a new floor of tongue-and-groove lumber over the old one. From there on the layout depends on the size and the shape of the barn loft.

The blower and power unit are gen-



A typical hay drier consists of a blower at one end of the loft and feeding systems of lengthwise and lateral air ducts over which the fresh-cut hay is piled



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Erie Resistor Corp.

erally placed at one end of the barn in a location that will deliver the air as directly as possible into the duct system. Electric motors have been used in most of the installations to date, but within recent months the Allis-Chalmers Manufacturing Co. of Milwaukee has had a part in experiments with a gasoline engine-powered fan. The installation was one of the exhibits visited by industry representatives at the Knoxville conference.

• **Right Design Needed**—Multivane low-pressure blowers have been found the best type to give the large amount of air required at the lowest cost. Standard designs are entirely acceptable.

The air ducts may be built of any material that will produce a tight air-carrier under the low pressures involved. They are made without a bottom, and are shimmied up from the floor so the air can come out along their lower edges. Uniform distribution of the air is essential, being obtained by proper spacing and design of the ducts and equal spread of the fresh-cut hay.

As hay driers have been developed and put into use, the need for simple and quick installations became apparent. One way to accomplish this would be to have prefabrication of ducts by manufacturers, a field in which the steel industry and forest products men are interested.

• **Costs Vary**—A wide variance is reported in estimates of the cost of installations. Where good supervision is available, it appears that the cost (including the ducts, blower, and part of the purchase price of the motor) will run from 25¢ to 40¢ per sq. ft. of barn loft. The motor usually can be used for other purposes on the farm when it is not being used to run the hay drier.

Recent research has shown that pre-heating the air speeds up the curing process and produces a better quality of hay. In these experiments heat was obtained from the exhaust gases of a gasoline engine. In Texas butane gas and fuel oil have been used to obtain the same results.

• **Value of Crop Increased**—The cost per ton of drying also varies widely, depending on the condition of the crop, humidity of the air, the local power rate, and similar basic conditions. The best figures available indicate a cost of from \$1.50 to \$2 a ton for hay.

Since the value of the hay is increased under present market prices at least three times the drying cost (on a straight cost basis), the economics of barn-drying work out. But it is in other directions, particularly better feeding value and elimination of risk of loss of the crop, that farmers appear to be most impressed.

O.K.'s Ore Supply

Alcoa displays results of its bauxite extending research, reaffirming that the U.S. can be independent of foreign supply.

While competing interests have poured money and energy into various aluminum-from-clay projects (BW—Sep. 9'44,p66), Aluminum Co. of America has been comparatively quiet, but not comparatively idle.

• **Independent Supply**—Results of Alcoa research in the field of low-alumina, high-silica ore were put on display last week for the first time, at the company's ore purifying plant in East St. Louis, Ill.

Alcoa executives were not prepared to say that low-grade, domestic ore will replace high-grade bauxite from the Guianas in South America. But they did reaffirm that their lime soda process (Report to Executives; BW—Aug. 28'43, p50) makes U. S. aluminum supply independent of any foreign source. This was welcome news to Arkansas, which hopes to retain its wartime key position (BW—Feb. 22'41,p64) in aluminum ore.

• **Too Expensive**—The Alcoa lime soda process involves a recycling of the red mud waste that flows from its regular



A huge scrubbing tower, which helps eliminate dust from a government-owned ore treating plant in East St. Louis, is part of Alcoa's red mud recovery process which eventually may produce aluminum from clay.

(Bayer) method of extracting aluminum oxide (alumina) from bauxite. By sintering (heat-treating) this mud after it is mixed with limestone and soda ash; Alcoa separates an additional amount of metallic oxide from its stubborn combination with silica.

Alcoa spokesmen exhibited the opinion that any aluminum-from-clay process, at this stage of development, would be too expensive for a peacetime market. However, by exhibiting an assortment of experimental machinery, they left the inference that they are investigating thoroughly the possible application of their process to clay as well as to high-silica bauxite.

In East St. Louis Alcoa has built a \$750,000 "laboratory," as a pilot plant for testing every phase of ore purifying processes, including variations in Bayer process alumina refining.

• **Averages About 5%**—Results to date indicate profitable application of the red mud process in connection with bauxite containing 7% to 13% silica. South American bauxite used before the war averaged about 5% silica.

Equipment for red mud treating is in use at the Alcoa-operated, government-owned \$10,000,000 alumina plant in East St. Louis. Similar equipment has been installed at similar plants in Baton Rouge, La., Mobile, Ala., and Hurricane Creek, Ark. This auxiliary ore treating equipment was designed and built to offset the effects of submarine damage to our shipping in the Caribbean area in 1942.

COIN FROM USED SHELL

Coins jingling in your pocket may have been made from shells fired on the fighting fronts in Italy, Africa, or the Pacific. The popping plant at Blue Grass Ordnance Depot, Richmond, Ky., has originated several shipments of salvaged metal for the Philadelphia mint, which makes coins of it.

Popping plants—so-called because of the pops made by explosions of unburned powder—are comparatively new. During the World War, a few cartridge cases were salvaged, but most of them were cleaned or popped by hand. The plant at Richmond is in the business in a big way. Blue Grass operates two furnaces on three eight-hour shifts a day, with an average of 80,000 lb. of salvaged brass and steel processed each shift.

The plant handles millions of pounds of fired shells shipped in from the theaters of war, from posts, camps, and stations where they have been used in target practice. The plant also receives defective shells from manufacturing plants.

The shells are dumped into contain-

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ers which feed them to conveyors leading to the furnaces, where the temperature is around 1,400F. The shells come out cleaned of sand, dirt, and all powder left in the primer. Another conveyor, carrying the shells from the furnaces to the loading platform, allows them to cool before loading for shipment to buyers who process the metal before it goes on to the mint.

Toll Calls Dialed

Experiment in California proves feasibility of automatic placing and recording of long-distance calls in suburban areas.

Residents of Los Angeles suburbs and other densely populated areas of the nation will dial their own toll calls without an operator's assistance when automatic recording equipment, developed by Bell Telephone Laboratories, Inc., New York, is made available after the war.

• **Test Proves Success**—Feasibility of toll dialing has been established by a year's successful experimentation with a small pilot installation at Culver City, Calif., by the Southern California Telephone Co. of Los Angeles. The automatic recorders, which print all essential data on a tape, were installed late in 1943 (BW—Jan. 29'44, p. 106). About 8,000 extended service telephones in the suburb, over which an average of 3,500 toll calls are made daily, were hooked up with the machines.

In the twelve months' experiment the recorders proved their worth so well that the telephone company now intends to convert its entire system in the Los Angeles metropolitan area to toll dialing as soon as possible. The change-over will have to wait until more pressing matters, such as filling orders for thousands of new telephones, are taken care of.

• **Better Models in Sight**—Although the Bell recorders have proved satisfactory to both company and subscribers, they probably will be obsolete by the war's end as the laboratories are constantly improving the machines and developing new models. And if better recorders are available then, they, of course, will supersede the equipment now in use.

• **For Limited Zones**—Present plans for toll dialing are limited to the Los Angeles metropolitan area, roughly a circle 50 mi. in diameter, within which are communities with more than 3,000,000 inhabitants.

However, telephone engineers declare the machines could register transcontinental calls just as easily as they do 25¢



PLASTIC'S NEW ROLE

A wounded marine sports the latest in "casts"—a transparent plastic job that's winning the medical profession's acclaim. Made of the Plexiglas used on airplanes, the new bone supporter is said to be lighter, sturdier, and more sanitary than plaster types. Much of the credit for its development goes to a Consolidated Vultee Aircraft worker who experimented with the plastic, and then passed his discoveries along to Navy medics.

calls between neighboring towns, but they believe that in the immediate post-war future, at least, toll dialing will be restricted to metropolitan zones. While the recorders are nearly infallible, the human equation of error probably will curtail their use in long-distance telephoning. Bumbling dial spinners in Los Angeles who got wrong numbers in New York, for example, would cost the utility much lost time and money.

• **May Cut Expenses**—The machines, which automatically print the subscriber's number, the number called, and the duration and date of the call, will cut operating expenses by reducing personnel, forecasting lower suburban toll rates in thickly populated regions.

NEW SYNTHETIC THREAD

Cautiously, U. S. Rubber Co. issued a brief press release recently on its new synthetic rubber compound (basically Neoprene) which can be extruded into a thread that "retains elasticity through repeated washings and flexings." The thread—as yet unnamed—has enough of these and other desirable qualities of natural rubber to permit its use in production of "Lastex," the company's



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Thousands of "motorized money makers" for industry are also powered by Crocker-Wheeler products, and because of their dependable service these Crocker-Wheeler motors and generators continue to satisfy their owners with money-saving operation.

Specializing in many forms of power equipment, Hendy produces, in addition to Crocker-Wheeler motors and generators, Hendy Diesels, steam turbines, turbo-generators, reduction gears, hydraulic gates and valves, mining machinery and dredges. Consult Hendy and let their experienced engineers help you solve your power problems.



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elastic yarn used in corsets, underwear, swim suits, and other garments.

Response was prompt from two directions: All over the country women rushed to retail counters demanding "two-way stretches" (one West Coast store is said to have had 28 requests within a single hour). And the foundation garment industry, although pleased with the slowly increasing shipments of Lastex it has been receiving for several months, indignantly protested such "premature announcements," which an over-anxious public interprets as news that prewar garments are now available.

Actually, manufacturers are getting less synthetic elastic yarn now than conditions three months ago had led them to expect. Production is slowly increasing, but even if unlimited quantities of elastic yarn were available, the output of foundation garments would be severely restricted by lack of cotton and rayon fabrics.

The trade estimates that the corset industry's supply of elastic yarn is now probably less than 10% of its 1941 use. By early summer production may reach 40% to 50%. But since synthetic elastic yarn doesn't go so far as that made from natural rubber, the practical effect will be to give corset makers more like 30% to 40%.

Linen From Straw

Minnesota chemurgists claim method for making yarn from seed flax waste hitherto burned on farms.

University of Minnesota chemurgists, seeking industrial uses for waste farm products, have devised a method for making high-grade domestic linen from flax straw at a cost claimed to be far below that for the imported material.

• **Plan Test Plant**—With laboratory tests complete, the experimenters are erecting a \$5,000 pilot plant in Minneapolis to try out the process on a miniature commercial scale, manufacturing about 100 lb. of yarn a day. Material and manpower problems probably will prevent its completion until sometime in 1945.

Directed by Lloyd H. Reyerson and R. E. Montonna of the University's School of Chemistry, the project has attracted attention of concerns which are potential purchasers of large quantities of linen yarn and thread. Proposed uses range from cord for tires to linen cloth for apparel purposes.

Reyerson says that where in normal times good linen yarn seldom sold below \$1.70 a lb., he believes that a manufacturer could make a nice profit by selling the flax straw linen at \$1 a lb. And such a price, he believes, will open new markets for linen, where high cost formerly made its use prohibitive.

Millions of tons of flax straw now create an annual disposal problem for Northwest farmers who grow flax for its seed (used for linseed oil and feed purposes). Most of the straw is burned now because it contaminates the soil if left to rot.

• **Mass Production**—Under the Minnesota chemists' process, manufacture of linen yarn is transformed from an "art" to a mechanized, mass-production system, with a uniform product the end result.

Traditional method for making linen is to ret the long flax stalks by exposing them to moisture. This loosens the tough exterior fibers from the woody center of the stalks. It also partially dissolves the adhesive that holds together the tiny fibrils comprising the individual fibers, so the latter can be drawn out or "drafted" into the fine strands characteristic of linen. Much of the retting and separating entails manual labor, slow and odorous.

• **The Process**—The Minnesota scientists separate the fibers from the wood by mechanical means, crushing the straw between specially designed rollers. Then the fibers are wound on a perforated spool and a chemical is forced through them to accomplish the partial degumming preliminary to the drafting operation.

The result is claimed to be a product equal or superior to that obtained under the old method. Samples of cloth made from this yarn have been subjected to 60 launderings, standing up as well as imported linens.

• **Explodes Old Theory**—The scientists claim their research disproves the old theory that straw from flax raised for seed cannot also be used for linen.

Fibrils in seed flax straw are just as long as in linen flax. But the harvesting method employed in separating flaxseed from straw does chop the straw too short. To overcome this, the Minnesota chemists would have fiber processors contract with farmers for their full crop, both seed and straw. The entire flax plant would be delivered to the processor, much as is now done with some vegetable crops for canning. The processor then would do his own separating, paying the farmer for the seed, plus about \$10 a ton for straw. It takes something less than ten tons of straw to produce one ton of fiber.

• **Second Development**—Earlier this year (BW—Apr. 8'44, p31) another devel-

Paper "Cans" Hit a Militant Stride

How to achieve high speed production in the packaging of lubricating oil in paper containers has apparently been solved. At Socony-Vacuum's refinery at Paulsboro, N. J., such containers—made on the spot—are being filled at a 70-a-minute clip (right).

The equipment has been speeded to 85 a minute, is expected to go even higher before tests are completed, and thus provides a substantial club for the paper industry in an expected postwar packaging battle with the metal and glass industries.

Patents for the filling machine were bought by Socony-Vacuum in 1941. Research was intensified when the wartime metal shortage tightened, and in 1943 license rights were acquired by General Container Corp.

Until recently a pilot machine had turned out vast numbers of oil-filled paper containers at a 15-a-minute rate. Ten months ago Package Machinery Co. of Springfield, Mass., took the task of speeding it up, and has installed the new model at Paulsboro for General Container, which leases floor space in the refinery.

Team-mate of the units is a

machine which spins containers from chipboard and newsboard—both exempt from paper limitation orders. General Container reports that leakage has been reduced to 0.15%, a factor which, coupled with the new packaging speed, gives the paper industry something to crow about.



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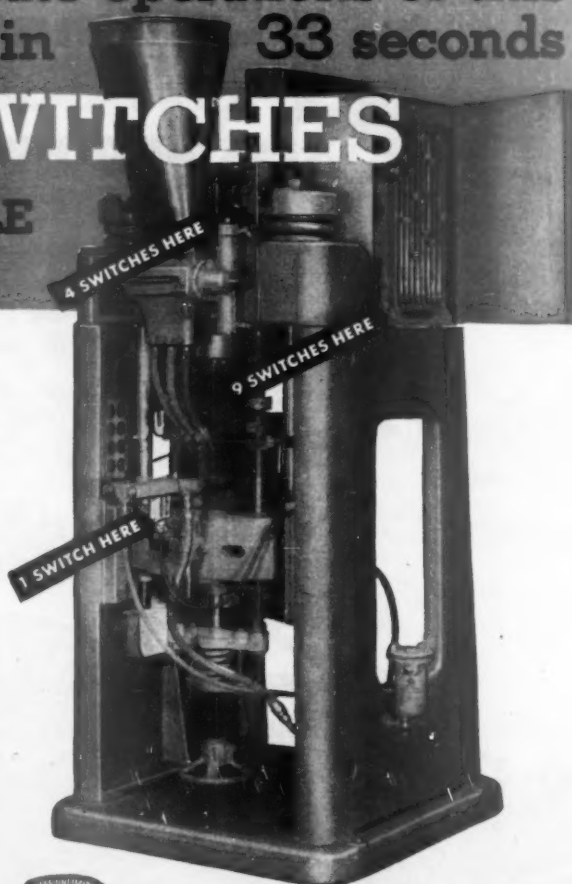
Timing, limiting and safety operations of this Stokes Automatic Molding Press, which can perform a complete cycle in as little as 33 seconds, are accurately controlled by 14 Micro Switches.

The F. J. Stokes Machine Company of Philadelphia, Pa., turned to Micro Switch as the control components of this accurate molding machine because their small size, precise operating characteristics and long life and dependability most exactly met requirements.

Nine Bakelite Enclosed Micro Switches regulate every step of the feed and molding time in the sequence and timer control. Two others are travel limits and two are safety limits for the press ram. One Die Cast Enclosed Micro Switch is used to control the air jets in the mechanical mold cleaner.

Experience of the F. J. Stokes Machine Company with Micro Switches is of interest to all industry in planning for new and better products in the post-war days. Whether in new consumer products or in the new machinery to make them, this small, sensitive, snap-action switch is certain to play an important part.

Before your products are ready to be released in the highly competitive post-war markets, your engineers should be thoroughly familiar with Micro Switches and the many advantages they have to offer. We will be glad to send your engineers as many copies of the Micro Switch Handbook-Catalog as they may be able to use.



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"Uses Unlimited"—a dramatic talking motion picture of Micro Switches, in color, is available to industrial groups, training classes, schools and colleges, through Y.M.C.A. Motion Picture Bureau, New York, Chicago, San Francisco. Sizes: 16 mm. Length: 40 minutes. Write us for details.



Two stars have been added to our "E" flag as further recognition to the men and women of Micro Switch for maintaining our war production standards.



The basic Micro Switch is a thumb-size, feather-light, plastic enclosed, precision, snap-acting switch, Underwriters' listed and rated at 1200 V. A., at 125 to 460 volts a-c. Capacity on d-c depends on load characteristics. Accurate reproducibility of performance is maintained over millions of operations. Basic switches of different characteristics are combined with various actuators and metal housings to meet a wide range of requirements.

MICRO TRADE MARK **MS SWITCH**

A DIVISION OF FIRST INDUSTRIAL CORPORATION

FREEPORT, ILL., U.S.A. Sales Offices in New York, Chicago, Cleveland, Los Angeles, Boston, Dallas, Portland, (Ore.)

LET'S ALL BACK THE ATTACK—BUY EXTRA WAR BONDS

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Continental Red Seal Engines

POWER TO WIN

Follow the Stars

Each red star indicates vital equipment powered by Continental Red Seal Engines.

However, they point to only a few of more than 50 important applications of Continental Red Seal Power — the Power to Win — to better equip our fighting forces.

After victory the skilled experience that has made this war contribution possible will be turned to the great task of rebuilding a war-torn world.

Your Dollars are
Power, Too!
Buy War Bonds
and Keep Them!



Awarded to the
Detroit and Muskegon Plants
of
Continental Motors Corporation
for High Achievement

Continental Motors Corporation

MUSKEGON, MICHIGAN

opment of interest to the U. S. textile industry was announced. First American production of medium-grade linen in dress and drapery weights, wholly from Oregon and Minnesota flax, had progressed to the point where limited offerings were being made to the retail trade.

Drug Research

Proprietary manufacturers, kept on their toes by FTC and FDA, spend \$7,750,000 a year in scientific studies.

For years, the cornerstone of public relations for proprietary drug manufacturers has been the scientific resources behind the items that fill family medicine cabinets. Now for the first time the industry has learned how much it is spending on research.

• **Expenses Outlined**—At a meeting of the Proprietary Assn.'s scientific section early this month it was disclosed that this year's bill runs to \$7,750,000, including \$5,000,000 for product study and development, \$1,750,000 for control testing, and \$1,000,000 for fellowships and grants.

Spur to drug research is the continuous process of deleting obsolete items and the constant pressure of government regulatory agencies, notably the Federal Trade Commission and the Food & Drug Administration. More than half of all the cases handled by FTC are in the drug field, and about a third of FDA's time and money are directed to drug regulation. Research provides the best insurance against getting into trouble in the first place, or for getting out of it in the second.

• **Many Laboratories**—Finding evidence to improve and defend old products and develop new ones is the object of approximately 100 research laboratories in the proprietary field, while 225 control laboratories watch the strength, quality, and purity of existing products.

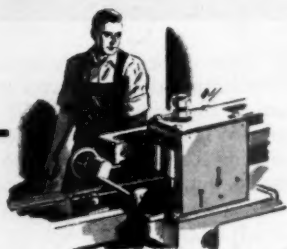
The association sees home remedy manufacturers moving toward the pharmaceutical field. Through subsidiaries and affiliates, proprietary houses already are making pharmaceuticals as well as their advertised remedies for self-medication. This may be evidence of a certain amalgamation which observers have noted in the drug industry, gradually obliterating the sharp cleavages between leading proprietary manufacturers and the so-called ethical manufacturers who sell only to druggists for prescription trade. The vitamin business also seems to be lodging in the ethical field (BW—Dec. 2'44, p88).



Thinking about reconversion?...

Reconversion may mean headaches to many engineers and production men. To you who are thinking about these problems now, consider industry's new production tools—the applications of electronic tubes and what they are doing today.

FOR EXAMPLE...



a midwestern manufacturer of heavy equipment saves \$15. a ton in hardening steel bars by electronic control... a saving of 50% over conventional methods.

FOR EXAMPLE...



in another plant, shells are accepted or rejected electronically, eight different tests for accuracy completed in split seconds, at a rate of one shell a second.

FOR EXAMPLE...



a maker of hand grenade fuses prevents disastrous and costly explosions by checking the exactness of the powder charge with electronic tubes.

The profitable application of electronic tubes is legion. A look around your plant may disclose ways to save you worry, get increased production and create more profits. It may be in electronic induction or dielectric heating, in welding control, in motor speed control, in inspection, in counting, sorting, weighing. Can you save money or not by putting electronics

to work? If you have a hunch about an operation of this kind and need help, let us know.

Write Westinghouse Electric & Manufacturing Co., Lamp Division, Bloomfield, New Jersey.

Westinghouse

PLANTS IN 25 CITIES OFFICES EVERYWHERE

Quality Controlled Electronic Tubes

For industrial tube replacements, remember you can get quick local service from your nearest Westinghouse distributor.



Nobody's fault, but everybody's HEADACHE



*Get rid of noise demons the easy way—
with a ceiling of Armstrong's Cushiontone*

YOU CAN'T BLAME anyone for noise demons. They come from clattering machines, shrill bells, loud voices. The busier your office, the worse they are. They breed errors, prevent concentration, fray your nerves, wear you out. Yet it's very simple to get rid of noise demons. You can end them, once and for all, by installing an economical ceiling


of Armstrong's Cushiontone.

Cushiontone absorbs up to 75% of all noise striking its surface, thanks to the 484 deep holes in each 12" square of this fibrous material. This high efficiency is permanent, too—not even repainting can affect it. Armstrong's Cushiontone is quickly installed, easily maintained, and it is also an excellent reflector of light.



New Free Booklet gives all the facts. Write for your copy today to Armstrong Cork Company, 3012 Stevens Street, Lancaster, Pennsylvania.

ARMSTRONG'S CUSHIONTONE

Made by the  makers of
Armstrong's Linoleum and Asphalt Tile

NEW PRODUCTS

Automatic Dimmer

By day the new Automatic Headlight Dimmer, to be manufactured by the Arrow Safety Device Co., Mt. Holly, N. J., looks like an auxiliary light just abaft the bumper of a car, truck, or bus. By night it reveals its true function—the dimming of the vehicle's headlights.



The little device, which operates on photoelectric principles, takes the operation of dimming out of the driver's hands. When the headlights of an approaching car get within the proper distance, a special light-measuring unit is said to do the job automatically.

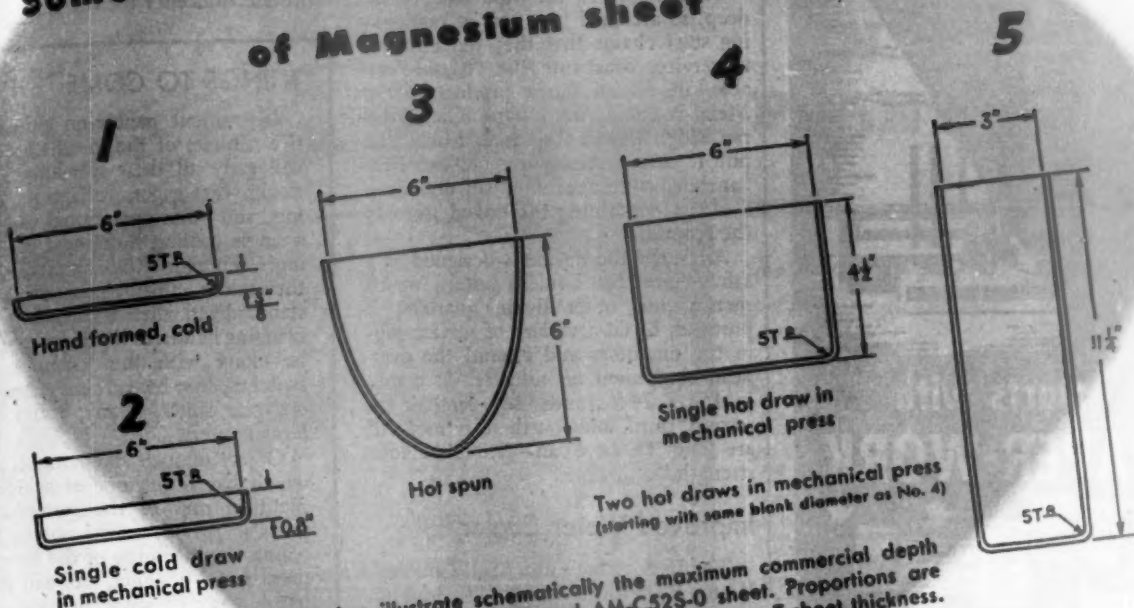
"Durabonded"

Most recent improvement in abrasive papers and cloths comes as the result of the new Durabonded Treatment developed by the Behr-Manning Corp. (Division of the Norton Co.), Troy, N. Y., for hardening the adhesive that holds the abrasive grains in place and making it more resistant to the heat of friction and less sensitive to high humidities. Glues of both natural-hide and synthetic-resin types are simply impregnated with minute particles of an inert, nonfusible mineral, such as calcium carbonate.

Results in field tests indicate that "Durabonded products in fast-running, metal-cutting belts, in fiber combination disks, and in many of the ingenious little abrasive cloth 'gadgets,' standard in the metalworking trades, have shown an average improvement of 20%, and at no advance in cost to the user." In the mechanical sanding of hardwood floors there are "improvements frequently as great as 50%" already on record. The treatment is being applied to current production of abrasive cloths



Some notes on the *Formability* of Magnesium sheet



The sketches illustrate schematically the maximum commercial depth of draw in working AM3S-0 and AM-C52S-0 sheet. Proportions are based on round cups formed from 0.064-inch sheet. T= sheet thickness.

"How deep will it draw?"... "Can it be spun?"... "Must the metal be heated to produce this shape?" Such questions, and many more, are answered in American Magnesium's book, "Designing with Magnesium".

Magnesium has been an extremely active war worker. There is the wealth of knowledge gained there to guide you, plus American Magnesium's more than twenty years of working with magnesium alloys.

Achieving the ultimate in lightness is a job which magnesium does well. It weighs only one-fourth as much as the heavy metals. It has a high strength-weight ratio. If you are interested in employing this weight-saving ability of magnesium, our engineers will gladly assist you. Write Aluminum Company of America, Sales Agent for American Magnesium Corporation Products, 1711 Gulf Building, Pittsburgh 19, Penna.

MAGNESIUM **MAZLO** PRODUCTS

AMERICAN MAGNESIUM CORPORATION

SUBSIDIARY OF ALUMINUM COMPANY OF AMERICA

Re-conversion..

starts with
PAPER-WORK

and

VARI-TYPER

The huge task of converting industry to war production was *first done on paper*. The Vari-Typer Composing Machine helped speed urgently needed paper work in hundreds of war plants and shipyards, and it furnished quick, economical composition for branches of the armed forces.

The job of re-conversion will also start with paper work, and here, too, Vari-Typer can hasten the process with quick composition of forms, reports, price lists, parts lists, manuals, etc. Users report that Vari-Typer does these and similar jobs more economically and efficiently than any other method. It has saved on an average of 50% of printing and duplicating costs. Its 600 different styles and sizes of changeable types produce work which looks like printing.

Write for your copy of an interesting, well-illustrated 16-page folder which explains Vari-Typer possibilities for you in business. Please request folder B-W-12.



RALPH C. COXHEAD CORPORATION

333 SIXTH AVENUE • NEW YORK 14 N. Y.

and papers carrying silicon carbide and aluminum oxide grits, and will be shortly extended to garnet sandpapers.

Chain Escape

Steel steps, 10 in. wide and 4½ in. deep, so attached to a pair of nonkinking steel chains that they remain level in service, constitute the "Metal-Portable-Fire Escape," new product of the Metal-Portable-Fire Escape Co., Murray Bldg., Grand Rapids 2, Mich. To put it into service, just hook a steel "anchor" over a window sill and drop a carton containing the linked steps to the ground.

Although the device is designed as a safety unit for homes, hotels, apartments, and other living quarters, it promises to do a variety of service jobs in the manholes and around the overhead equipment of industry. It comes in 16-ft., 24-ft., and 32-ft. lengths for second, third, and fourth story use. All are said to have an "1,800-lb. load strength."

Improved Water Cooler

The U. S. Army's new "Self-Cooling" Water Bag, which keeps G.I. drinking



water cooler than it would otherwise be in the field, is expected to find wide application in civilian agricultural operations, construction camps, mining, camping, whatever. The container supersedes a former desert water bag of woven flax fibers.

Basis for the change is a duck fabric impregnated chemically to control its porosity, hence the amount of water that seeps through for evaporative cooling purposes. The material was developed cooperatively by the Office of the Quartermaster General and two civilian firms: Joseph Bancroft & Sons Co., Wilmington, Del., which wove

various experimental ducks; Rohm & Haas Co., 222 W. Washington Sq., Philadelphia, which formulated the chemical impregnants including Rho-plex WC-9 a synthetic resin of undisclosed composition, and Primal C, a synthetic thickener for the resin.

THINGS TO COME

Instrument panels on automotive vehicles of the distant future will carry all their speedometers, clocks, fuel gages, voltage indicators, and other operational aids in a single tooling functional grouping. Though the instruments themselves will not necessarily be standardized, their revolving dials, swinging hands, or liquid levels will be along with the locations of switches, fuse boxes, circuit breakers, gear shifts, if any, and even cigar lighters.

Object of such standardization, which has little hope of achievement in cars of the immediate postwar period, would not be to cramp the ingenuity of the instrument panel designer. He will still have plenty of scope in fostering the individuality of his automotive employer's productions while providing new safety for drivers of two or three makes of cars and an economy-promoting convenience for garage mechanics.

Icicles hanging from the ledges and over the portals of buildings will cease menacing incomers, outgoers, and passersby in the postwar future, because the potential lawsuit inviters will not be permitted to form in such locations. Flexible, electric heating cable will be laid as a matter of course in roof gutters and downspouts that might freeze—to be turned on automatically when any icicle weather is indicated by a thermometric switch.

"Wrapped in cellophane" may be supplemented, not superseded, by "warmed in cellophane," if current tests work out on the use of thin transparent films as windproof, warm-conserving interlinings for overcoats, lumber jackets, and other outdoor garments. Cellophane, which is a cellulose xanthate, is in competition for the windproofing job with films of cellulose acetate, ethyl cellulose, chlorinated rubber, vinylidene chloride, and other compounds—winner take all.

60 MINUTES MAKE AN HOUR!

*What will your
future I.P. be?*

This is the Tenth of a series of advertisements presenting "Industrial Par" and its importance to your company in all future planning. Save this and succeeding I.P. advertisements as the basis for discussion and as a guide to your planning program.

IN YOUR PLANT, TOO

Spotlight facts for your future I.P. planning



*Production methods — developed in wartime — increase man-hour output; pent-up buying power — released in peacetime — demands increased production.

*The rate of 2½% increase per year output per man-hour, established by a 12 year record of industrial production, can be expected to reach at least 4% per year — compounded.

*Manufacturers must set a goal of 50% increased output per man-hour every 10 years — to maintain a high level of national prosperity and achieve its benefits in terms of security of jobs and wages for the greatest number of workers and the volume production of more goods for more people at lowest cost.

*Machine tools — the most modern, most efficient — are recognized as the most effective implements of mass production and increased output at lowest cost — but only continual replacements with the newest and finest machine tools assure full productive capacity. Such replacements yearly should be equal to 10% of the total machine tool investment — in keeping with increased output.

*The cost of machine tools is insignificant in terms of their productive power . . . from 1927 to 1937, according to census reports, American manufacturers had only a total of about 2% invested yearly in machine tools in ratio to a total volume of 9 billion dollars' worth of production annually.

††**Industrial Par** — the constantly increasing output per man-hour equal to approximately 50% every 10 years.

It's a truism in industrial circles that lowered production costs are the key to the decreased prices that, in turn, create increased volume. In a mass production industry — like automobiles — it is said that a price reduction of 1 per cent increases volume (of sales) 1.5 per cent.

Much postwar planning is aimed at this goal of lowered production costs in the realization that it is the major hurdle to clear to arrive at high levels of business volume, wages and employment.

There are inelastic elements in production cost which are beyond the control of even the most skilled industrial management, but these need not be too great a deterrent toward achieving the goal of lower production costs.

Industrial history proves that increased output per man-hour is the major part of the answer. 60 minutes make an hour in every industrial plant, but better production methods and equipment enables certain plants to excel others in reducing costs and improving quality of product as well.

The vital significance of *industrial par*, as presented under "Spotlight Facts for Your Future I.P. Planning", must not be under-estimated. Manufacturers who intend to keep step in a prosperous national economy — the mass production which means more and better goods for more people at lower cost and security of jobs and wages for the greatest number of workers — must strive to attain the 50% increased output pace.

Certainly every advantage must be taken of the recognized power of machine tools to achieve the most with man-hours. Only with the most modern machine tools can any manufacturer hope to compete successfully as well as make workers' jobs more secure and more productive.

Back the Attack! BUY MORE WAR BONDS

**KEARNEY & TRECKER
CORPORATION**

MILWAUKEE 14, WISCONSIN



Milwaukee Machine Tools

Omaha Maneuver

Nonprofit corporation is formed by Nebraskans to buy common stock and acquire power utility for city.

For a few hours last week it appeared that the two-year-long battle over proposed public ownership of Nebraska Power Co., \$40,000,000 American Power & Light Co. subsidiary serving Omaha and adjacent areas (BW—Aug. 26'44,p42)—the last privately owned utility in Nebraska—was approaching a speedy and dramatic end.

• **Condemnation Threatened**—Announcement had been made that American Power & Light (Electric Bond & Share system) had closed a contract for sale of its holdings of common stock in the utility to a nonprofit group of Nebraska citizens, who stated that the purchase was the first step in ultimate acquisition of the company by public agencies of Nebraska.

But next day, the Omaha City Council, by a vote of 6 to 1, made good an earlier threat (BW—Oct.14'44,p18) by adopting an ordinance calling a special election on May 15, 1945, when the voters of Omaha will give or deny specific authority to institute condemnation proceedings against the utility's properties.

The city fathers indicated that they preferred the acquisition of the property by condemnation chiefly because they consider the base price too high. But at midweek virtual approval of the sale was given by the Securities & Exchange Commission.

• **PPC Men on Board**—Undismayed by the possibility of further litigation and maneuvers, the Nebraska purchasers of N.P.C.'s common stock announced a stockholders' meeting for Dec. 26.

At that meeting, it was announced, several men (a majority) will be elected directors, all of them members of the Peoples Power Commission, which was appointed by the mayor and council of Omaha and Gov. Dwight Griswold, to acquire Nebraska Power Co. for the people of Omaha under terms of an act of the state legislature. Because constitutionality of the act creating it is being questioned before the Nebraska Supreme Court the commission has been unable to function.

• **Future Steps Charted**—Bernard Stone, Omaha attorney and president of the

new nonprofit organization, and Sidney J. Cullingham, Nebraska state senator who is secretary-treasurer of the corporation, announced these additional possible future steps:

(1) If constitutionality of the law setting up the Peoples Power Commission is upheld, the corporation will attempt to have submitted to the people of Omaha the question whether they wish to have the power company turned over to the commission to operate as a publicly owned utility.

(2) If the people should vote against turning the utility over to the commission, then the new corporation, with its enlarged board of directors, would continue to operate the utility, with the ultimate objective of turning the property over to the city free of debt.

(3) If the law is declared unconstitutional, the new corporation will ask the mayor and council and other citizens to join in seeking legislation to set up a public commission to operate the utility.

• **FPC Probe Asked**—In an obvious attempt to interfere with the deal, Omaha's mayor, Dan Butler, late last week asked the Federal Power Commission to investigate the sale of the N.P.C. common stock to the new

corporation. FPC adroitly sidestepped the matter, however, by advising Mayor Butler that the sale did not enter its province. Dissatisfied, Mayor Butler asked FPC for a more detailed reply.

Details of the sale were announced in Chicago, where the deal was handled through John Nuveen & Co. Confirmation was by H. L. Allger, president of American Power & Light, in New York. In addition to Stone and Cullingham, purchasers included C. Russell Mattson, Lincoln (Neb.) attorney.

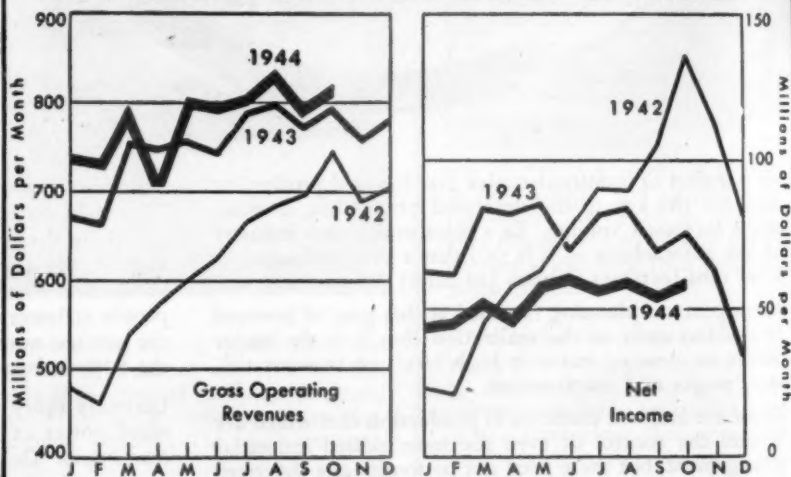
• **Old Base Price Asked**—The base price was stated to be \$40,680,000, and the common stock immediately involved was listed at \$14,125,000. The new corporation pledged that it would redeem the common at par value. Arrangements on preferred stock, and bonds, remain to be settled.

The purchase price, it was announced, was determined on the basis of the same price and formula provided for in the offer made in 1942 by the Consumers Public Power District of Nebraska, subject to later adjustments.

• **Completes Norris Dream**—If the sale is finally consummated, it will mark the passing of the last privately owned utility in Nebraska.

It will also be the culmination of a public-ownership movement in the state inspired originally by the late U. S. Sen. George W. Norris. Under Norris' leadership, statutes were put on the Nebraska statute books which made it

1944 RAIL EARNINGS DROP SHARPLY



Rising operating costs continue to outstrip the higher gross revenues of the railroads despite their recent lower tax accruals, and the downtrend in fixed charges resulting from substantial debt reduction. October was the seventeenth consecutive month in which net earnings of the Class I roads fell behind year-earlier levels, and net in the first ten months of 1944 was off 26%. Some analysts now expect full 1944 earnings of \$650,000,000 to \$660,000,000, compared with 1943's \$874,000,000 and the 1942 war-peak of \$902,000,000.

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FROM 60° BELOW TO 120° ABOVE . . .

No Lens "Blackouts"



To maintain the definition that will reveal individual railroad ties from an altitude of five miles, each lens element in our Army's and Navy's high flying aerial cameras has to represent the highest of precision optical standards. In addition, the cement that holds these elements together must be resilient enough to withstand frequent extreme changes in temperature without dissolving, melting or crystallizing . . . temperatures ranging from the extremes of stratosphere cold to desert heat.

That's why Bausch & Lomb chemists developed the low-temperature lens cement that is used today in many of the optical instruments Bausch & Lomb makes for our armed forces and which, in the post-war world, will

assure you of better, longer lasting optical equipment.

Whether you are planning the future purchase of new optical instruments or enlarged usage of your present equipment, it will pay you to discuss your optical problems with B&L now . . . to acquaint yourself with the products of continuing research and development here at optical headquarters.

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OPTICAL CO., ROCHESTER 2, N. Y.

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1853



Before and after reconnaissance photos of Focke-Wulf 190 plant at Warnemunde, Germany, where our air raiders destroyed 18 of 27 buildings. U. S. Air Forces photos.



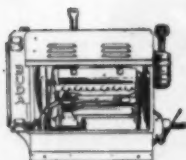


Tools which build... AMERICA'S MIGHT

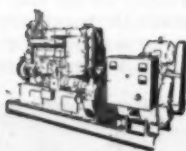
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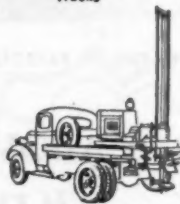


Since 1881—during the greatest period of industrial growth—BUDA has supplied tools with which to build and with which to defend America. In the mines and factories, on the railroads and at sea, in the oil fields and in construction BUDA engines and railroad equipment are in daily use helping win the war and the peace.

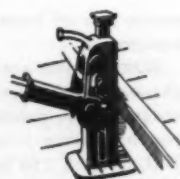
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possible in 1936 to establish the first public power districts in the state.

• **Six New Directors**—Nebraskans who are expected to be elected to the directorate of the new corporation at the December 26 meeting are T. H. Maenner, Omaha real estate and insurance man; Don M. Woodyard, general manager of the C. Penney Co. properties in Omaha; Edward F. Leary, Omaha attorney; Dr. B. H. Baer, Ashland (Neb.) physician; Emil E. Wolf, North Bend (Neb.) banker; and Gerald Collins, Omaha attorney.

Although his name has not been officially connected with the deal, Omaha would not be surprised if George C. Meyers, who has been active in other Nebraska public power deals, had a hand in the transaction.

New Issues Soar

Offerings for year double those of 1943. Activity resumes as war drive ends, with flood of securities expected soon.

Wall Street's security underwriting houses have resumed operations in the corporate financing field—now that the Sixth War Loan drive is over.

• **Rail Bonds Sold**—The biggest financing deal to reach the public since the bond campaign ended has been the sale of a \$42,000,000 New York, Chicago & St. Louis R.R. issue to retire \$32,000,000 of outstanding 5½% and 4% bonds and a \$10,000,000 collateral bank loan.

Other sizable issues successfully completed during the last few days include a Capital Transit Co. sale of \$12,500,000 of 4% bonds for refunding purposes, and an offering of \$5,000,000 General Shoe Corp. 3% debentures in order to retire \$2,000,000 of old 5% and secure \$3,000,000 of added working capital.

• **Holiday Activity**—Even the Christmas holiday week may prove fairly active. It may include the sale by Aeronautical Aircraft Corp., for one, of 75,000 shares of preferred and 33,600 shares of common for new working capital.

Also possible before the year-end are some other small operations, including sale of \$1,500,000 5% debentures and 345,000 shares of common stock by American Phenolic Corp.; a \$2,000,000 Arkansas-Missouri Power Co. refunding bond issue; and the public disposal of 60,000 shares of Thompson Products Inc., common stock to aid in financing that concern's postwar plans.

• **Volume Skyrockets**—In the four months between the fifth and sixth war bond drives, the nation's investment

banking firms had one of their busiest periods. In October alone, the volume of new security offerings skyrocketed to around \$750,000,000, highest monthly total since May, 1930. New issues in 1944—until the Sixth War Loan temporarily caused a halt—had soared to around \$2,650,000,000, compared with only \$986,000,000 in the first six months of this year and less than \$1,200,000,000 for all of 1943.

Costs Decline—Because of easy money conditions and the need for entering competitive bidding contests (on all new issues except those of industrial companies), corporate financing costs, as well as underwriting profits, are believed to have reached a new low.

But because of the huge volume of business in the last half of the year, operations for 1944 probably will prove quite profitable for most of New York's investment bankers.

The utility industry provided the bulk of 1944's new issue offerings (about 69% in October alone), and except for 1939, when the total was a bit higher, the year will likely prove the biggest twelve months of utility financing the Street has experienced since the flush underwriting days of 1936.

Large Issues Planned—Over 50 utility operating companies are now said to be considering 1945 refunding operations. As a whole, these plans involve the retirement of some \$900,000,000 of bonds, plus about \$200,000,000 of preferred stock issues. If most of this materializes, there should soon be seen individual public offerings of new bonds up to \$70,000,000.

Railroad financing next year, as in 1944, will run far behind the volume of utility offerings, if present indications are correct.

However, some substantial offerings appear likely, headed by a sale quite soon of \$54,000,000 Louisville & Nashville R.R. 3½% bonds due in the year 2003 to refund 5's, 4½'s, and 4's. An \$11,000,000 Washington Terminal Co. refunding operation is also expected next month.

May Try Again—The Wabash Ry. may ask for bids on a new issue to refund some \$47,000,000 of 4's. Although last fall it couldn't get a satisfactory bid to warrant the operation (BW-Oct.26'44,p64), many brokers think that the road will be successful this time.

The Chesapeake & Ohio and Pere Marquette, members of the Robert R. Young-Alleghany Corp. group, are generally expected to follow the lead of another Young road, the New York, Chicago & St. Louis, and accomplish some comprehensive refunding operations while the iron is hot. This would



**Earth has not known
their like before . . .**

From the Eighth, the Ninth, the Fifth . . . the Twelfth, Fifteenth, and other veteran AAF . . . they have been drawn to staff the Twentieth—first independent Air Force of global commands.

Operations wise, combat crafty, trial tested by English winters, sub patrols, Pacific distances, desert drought, tropic jungle . . . these men are schooled in strategy and surprise, tactics and individual action. Stranger still—each is the cherished child of Luck, surpassed the grim statistics of his trade, survived all dangers hostile skies can show.

Now in great new gleaming bombers, these sons of Fortune can bring home to Nippon a boxcar load of bombs . . . and say with Scriptural certainty, that the Lord hath delivered their enemy into their hands!

In all the legends of fighting men, the rosters of the Caesars and Genghis Khan, the scrolls of Charlemagne and the Crusades, the shining chronicles of courage . . . Earth has not seen nor History known their like before!

These are the Great Inimitables . . . incredibly of our day. Watch for their shoulder patch with the "20" and honor them for what they are!

So much have these airmen given—and so much still is theirs to give—that not one of us can match their gifts, even in gratitude.

For the huge training program of the AAF and our Allies, this company has been privileged to make more than 20,000 Jacobs engines and over 10,000 of another make, for use in twin-engine planes used to school bomber personnel.

In training use, getting the hardest wear known to plane engines, the Jacobs engines delivered far beyond specification or expectation . . . increased their rated service period between major overhauls from 350 to as high as 1,200 flight hours . . . served well the student airmen, saved money for the taxpayers, and established a record for performance and stamina that, to our knowledge, is unmatched by any other engine . . . For transports, feeder, freight and lighter planes, there will be Jacobs engines suited to postwar needs, capable of continued performance, minimum maintenance and low costs . . . Jacobs Aircraft Engine Company, Pottstown, Pa.



JACOBS • Pottstown, Pa.

Industry had some problems



Disston found the answers

When American Industry shifted to war production, countless new problems clamored for quick solution. Machines, designed for definite tasks, were given new duties to perform. Highly specialized cutting tools were set to work on strange materials and new tool alloys. Many inexperienced employees had to be taught. In this Disston Conservation Control Cards played an important part. Furthermore, in cooperation with our distributors more than 100 leading industries invited Disston engineers to survey their plants and check cutting tools and equipment.

This was done. To a limited extent in some plants . . . exhaustively in others. And the net results? They show numerous instances of:

1. Increased machine and tool efficiency.
2. Faster production.
3. Improved products.
4. Greater tool life.
5. Conservation of manpower minutes.
6. Lowered production costs.

So important were some of these economies that further invitations were received to revisit the same plants for more extensive surveys.

For years the men in industry—from shop foremen to management—have known that they can rely on Disston engineering recommendations as fully as they can rely on Disston saws, files, knives, tools and steels. If there is a cutting tool problem in your plant, feel free to consult Disston engineers. They will be glad to discuss your problems with you . . . and in confidence. Address

Henry Disston & Sons, Inc.,
1228 Tacony, Philadelphia
35, Pa., U. S. A.



likely involve the sale of a \$66,000,000 new C. & O. issue and some \$31,000,000 of Pere Marquette bonds.

The Chicago & North Western R.R. may soon refund at a saving of interest the \$55,000,000 4% first and general mortgage bonds it issued when it completed reorganization just six months ago.

• **Few Industrials**—Thus far, relatively little industrial financing appears in prospect for early 1945.

Servel, Inc., will sell 60,000 shares of preferred to bolster up its working capital. Butler Bros. is asking stockholders to approve the sale of 100,000 shares of a 4½% preferred to raise new working capital and to retire present stock. General Foods is reported considering refunding of its \$15,000,000 of \$4.50 preferred.

Philip Morris & Co., Ltd., may sell 200,000 shares of \$4 preferred to retire \$4.50 and \$4.25 shares, and Canadian Dry is planning the sale of some \$4,800,000 preferred to finance post-war expansion. However, both these issues will be offered first to stockholders.

• **Trend May Increase**—In many Wall Street quarters, those watching the new issues market closely are warning clients holding bonds of high investment grade that few such outstanding issues carrying an interest rate as high as 3½% can now be considered safe from retirement via refunding operations during coming months.

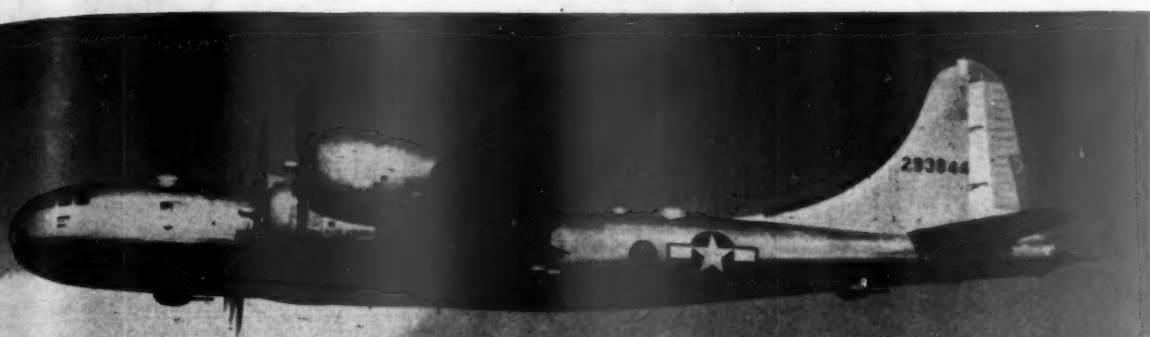
With top-grade utility bonds currently selling on a 2.65% to 2.85% basis, these observers visualize refunding operations involving the call for retirement of issues now out bearing much less than a 3½% coupon rate.

OVER THE BOND QUOTA

Final figures for the Sixth War Loan drive, the formal phase of which ended last Saturday, won't be ready until Jan. 2, since all December savings bond sales are to be credited to the grand total. But Secretary of the Treasury Henry Morgenthau, Jr., reports that total subscriptions would exceed the \$14,000,000,000 quota with some \$5,000,000,000 to spare.

Most heavily oversubscribed will be the \$9,000,000,000 quota for nonindividual buyers. Life insurance companies alone subscribed over \$2,560,000,000, and incomplete returns show that corporate buyers, as a whole, accounted for at least \$13,446,000,000 of bonds.

Only 82.8%, or \$4,140,000,000, of the \$5,000,000,000 quota set up to cover sales to individuals, and main target of the campaign, had been filled. But many sales in this category are yet untabulated.



The B-29 forecasts a new kind of air travel

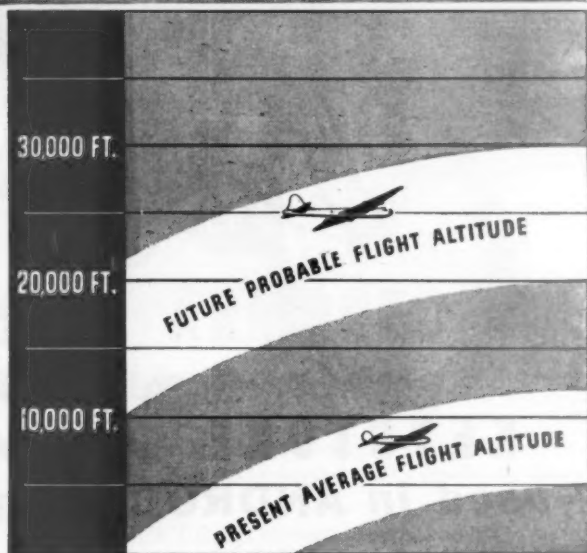
Its AiResearch Pressurized Cabin Controls prove substratosphere flight is safe—and comfortable

ONLY YESTERDAY the substratosphere was "no-man's land." To travel its thin, freezing air, men had to wear bulky, electrically-heated clothing—oxygen masks.

The Boeing B-29 is changing all that. *Pressurized Cabins* enable the Superforts to fly 30,000 feet, and higher, with complete safety and comfort for those inside.

AiResearch's part has been the development of air pressure controls . . . devices that keep "high-altitudes" outside the cabin, seal a comfortable "low-altitude" inside the plane at all times.

In peacetime, you will fly in similar AiResearch comfort-protected cabins. They



will help lift commercial flying to faster, smoother, high-up levels. There will be no air pressure changes to cause headaches, dizziness and ear-popping. You'll enjoy warm air or cool, as you like it, in a cabin free of smoke and odor.

Yes, a new kind of air travel is ahead. Count on AiResearch to help create it . . . and to develop new devices for your greater comfort on the ground, as well. AiResearch Manufacturing Co., Los Angeles, Phoenix.

AiResearch

DIVISION OF
THE GARRETT CORPORATION



Superfortresses carry AiResearch Cabin Pressure Regulating Systems
Engine Oil Cooling Systems • Engine Air Intercooling Systems
Supercharger Aftercooling Systems • Automatic Exit Flap Control Systems
Temperature Control Systems

A Real Performer!



KEYSTONE *Wire* —used in ANDROCK products

It's a broad field—small hardware, display racks, kitchen utensils and many special war items—covered by products carrying the well-known name of "Androck". Into this quality line go hundreds of tons of Keystone wire.

Compare the wire requirements of a small 30-mesh tea strainer with the shank of a husky screw driver. Quite a contrast in strength, gauge, analysis and finish. For these, and for each type of item between these two extremes, wire uniformity is a "must".

All of which sums up the mastery of fabrication problems, the versatility and dependability contained in Keystone wire.

*Washburn Company, Rockford, Ill., and Worcester, Mass.

KEYSTONE STEEL & WIRE CO., Peoria 7, Illinois



Bank Sells Stock

Bank of America's move to boost capital funds may be followed by other big houses. Issue goes to shareholders.

The tendency of both large and small commercial banks to prepare for the postwar period by bolstering capital funds was accelerated this week when 800,000 of common stock were sold at \$53 a share by the Bank of America National Trust & Savings Assn. of San Francisco to secure over \$40,000,000 additional capital funds.

• **Others May Follow**—With this sizable deal by the nation's third largest bank really breaking the ice, Wall Street expects other large institutions to follow the lead in improving present "unfavorable" capital fund-deposit ratios and in getting in better shape to handle the higher deposits and increased commercial loans expected once postwar adjustments have been made.

The stock is being offered to Bank of America stockholders at the rate of one new share for each five now held. The operation, largest in bank financing since the lush days of 1929, is being underwritten by one of the largest syndicates on record—140 investment houses headed by Eastman, Dillon & Co., Lehman Bros., and the First Boston Corp.

• **Resources Double**—The financing will increase the bank's outstanding common shares to 4,800,000. Proceeds will be used to augment capital funds which only recently totaled \$181,846,000 and included \$50,000,000 of common and \$8,085,550 of preferred stock. \$115,603,205 of surplus and undivided profits, and over \$8,000,000 of reserves.

Organized in 1904 with a capital and surplus of \$150,000, the Bank of America now operates offices in 488 different locations, and since the 1941 year-end has seen its total resources (over \$4,000,000,000) almost double.

• **Leads in Savings**—Total deposits recently were reported to be crossing the \$4,000,000,000 level. Savings and time deposits, now growing at the daily rate of \$2,000,000, were also running around \$1,500,000,000, making the institution the country's largest savings bank.

Since 1905 the bank has failed to pay dividends in only one year, 1932, and annual disbursements have been at a \$2.40 per share rate since 1937.

In the first nine months of 1944 earnings, on the basis of the new capital structure, according to the bank, would have equaled \$3.76 a share, compared with \$3.83 and \$3.34 in 1943 and 1942.



**Powerful Secret Weapon—
Spearhead of Invasion!**

THE CHEVROLET-BUILT ARMORED CAR Called the "Staghound" by the British

THE CHEVROLET-BUILT ARMORED CAR is perhaps one of the best-kept secrets of this war. Ever since the North Africa campaign these unique cars have been in action in Europe, yet only recently have we been permitted to tell you about them.

Thousands in Action

Chevrolet designed and built several thousand of these 14-ton roving fortresses for the British, and, while details of construction are still a secret (because none of them has yet been captured by the enemy), we can tell you that it has the *speed of a passenger car, the firepower of a tank and the armor of a mobile fortress.*

Its hull is so strong that it can "carry on" even if one wheel is blasted off by enemy gunfire. Its tires are exceptionally shell- and bullet-resistant.

RANGE—It can range over 500 miles without refueling, dropping its outside

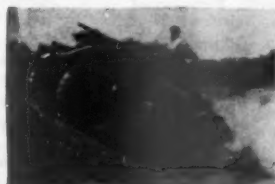
jettison gas tanks when entering combat, and continuing on gasoline from its protected tanks inside the armored hull.

FIREPOWER—It mounts cannon and machine guns, carries grenades and smoke mortars. *It is one of the unique and most deadly mobile weapons of this war.*

Work Began Three Years Ago

Over three years ago Chevrolet, working in close cooperation with the Ordnance Department of the U. S. Army, began designing and building these 14-ton monster cars to help spearhead the Allied invasion.

Chevrolet is proud of the record these armored cars are making in the war—proud of the way Chevrolet's thousands of workers have kept this secret weapon a *secret!*—proud of this outstanding contribution to Chevrolet's all-out program of **VOLUME FOR VICTORY.**



All four wheels drive the armored car forward at passenger-car speed over any kind of ground!

BUY WAR BONDS—AND KEEP THEM

CHEVROLET DIVISION OF GENERAL MOTORS

WAR BUSINESS CHECKLIST

A digest of new federal rules and regulations affecting priorities and allocations, price control, and transportation.

Increased Civilian Supply

War Food Administration announces that Commodity Credit Corp. will offer, until further notice, the limited stocks of various qualities of wheat, including high-protein, at the basic on-track OPA ceiling price at the storage location plus 1¢ per bu. to cover handling and merchandising charges for sale in store, and at the basic ceiling price plus 2½¢ per bu. for sale loaded out of warehouse.

● **Cotton Closure Tapes**—Applications for priority assistance in getting specified cotton yarns in the first quarter of 1945 for use in making button and buttonhole tape, hook and eye tape, snap fastener tape, and slide fastener tape should be made not later than Dec. 26 to WPB's Textile, Clothing, & Leather Div., Washington 25, D. C. The yarns must be used for these tapes before Apr. 30, 1945. (Direction 8, Order M-317.)

● **Dyestuffs**—Because there are now enough Class A dyestuffs (those listed in List A, WPB Order M-103) for all anticipated military requirements, a person may increase his acceptances and deliveries of Class B dyestuffs by 5% and may also accept or deliver under his Class B allotment 25% of Class A dyestuffs, provided that his total A and B deliveries or acceptances do not exceed his total Class B allotment.

● **Hand Tools**—Alfalfa forks have been added to WPB's permitted list of hand tools contained in Schedule V, Order L-157.

Decreased Civilian Supply

Petroleum Administration for War has allocated 1,144,000 barrels of automotive gasoline daily for U. S. civilian vehicles during the first quarter of 1945. This is a decrease of 29,000 barrels daily from the allocation for the fourth quarter of 1944. Since it represents the seasonal decline in the use of gasoline, the present consumer ration will be continued.

Relaxed Restrictions

Order L-83 has been amended to remove restrictions on used and reconditioned paper mill machinery. For new machinery, authorization must be obtained on Form WPB 1319 or GA 1456. The following items are excluded from the order: machinery for the manufacture of fiber shipping containers, folding cartons, and set-up boxes, and for the manufacture of printing trades machinery as defined in Order L-226.

● **Exports**—Exporters have been notified by Foreign Economic Administration that certain automotive replacements and repair parts may be exported commercially to French West Africa, including Mauritania, Senegal, French Guinea, Ivory Coast, To-

goland, Dahomey, French Sudan, and Niger. By placing French West Africa, French North Africa, and Corsica in country Group C, FEA permits export to these countries of \$25 worth of most commodities under general license. Application should be made to Requirements & Supply Branch, Foreign Economic Administration, Washington 25, D. C.

● **Farm Machinery Attachments**—By removing production quotas on farm machinery attachments for export to Canada, WPB has placed production of attachments for Canada on an equal footing with that for domestic sale. (Order L-257-a, as amended.)

● **Istle Fiber**—WPB is giving consideration to applications, on Form WPB-1041, for permits, good for a 90-day period, to purchase and import Palma or Pita istle twine from Mexico, also dressed or cut Palma or Pita istle for brushes, and other miscellaneous products made from Palma or Pita istle fiber. (General Imports Order M-63.)

● **Flashlights**—Though no over-all production increase will result, restrictions have been relaxed on all types of steel except stainless steel for use in flashlight cases and other types of portable electric lights. Zinc and magnesium may also be used freely. The amendment deletes the prohibition on the distribution of certain types of

batteries for use in standard wavelength radios; production of these batteries is still restricted, however. (Order L-71, as amended.)

● **Rotenone**—To insure more adequate crop protection, WPB, acting jointly with WFA, has announced that the permissible rotenone content of insecticides will not be restricted in the coming agricultural season. WPB emphasized that this does not mean that more rotenone-containing materials will be available to farmers next year.

● **Ascorbic Acid**—By revoking Schedule 41 of Order M-300, WPB has removed ascorbic acid—Vitamin C—from allocation controls.

● **Vinyl Acetate**—Because the present supply of this chemical, used chiefly in vinyl resins, is now greater than demand, WPB has revoked Order M-240, governing its allocation.

Tightened Restrictions

Direction 3 to Order M-73 has been amended to prohibit all production of "wool top" except to fill rated orders during the period between Dec. 31, 1944, and May 12, 1945, and to prohibit the processing of any wool top except to produce yarn to fill rated orders between Jan. 14, and June 2, 1945. Between Dec. 17, 1944, and June 2, 1945, each spinner of French spun yarns must put into process at least the same proportion of wool top and other fibers for the production of French spun knitting yarns as the proportion of his production of French spun knitting yarns to his total production of all French spun yarn during October, 1944. Any wool top used for French spun knitting yarn must



Bunting Glider Co.
Philadelphia, Pa.

Commercial Radio-Sound
Corp., New York, N. Y.

Consolidated Vultee Aircraft
Corp., Wayne, Mich.

Eastern Tool & Stamping Co.
Saugus, Mass.

General Excavator Co.
Marion, Ohio

General Motors Corp.
Ionia, Mich.

Goodyear Tire & Rubber Co.
(Three mills)

Lyon Metal Products, Inc.
Chicago Heights, Ill.

McNaught Metal Products
Co., Inc., Chicago, Ill.

I. Miller & Sons, Inc., Fox
Chase Knitting Mills
Long Island City, N. Y.

Noblitt Sparks Industries Inc.
(Two divisions)

Northern Metal Products Co.
Chicago, Ill.

Pittsburgh Metallurgical Co.
Charleston, S. C.

Progress Mfg. Co.
Arthur, Ill.

Reliable Electric Co.
Chicago, Ill.

Rowen Cotton Mills Co.
Salisbury, N. C.

Sherrill Research Corp.
Peru, Ind.

Thew Shovel Co.
Lorain, Ohio

Utility Trailer Mfg. Co.
Los Angeles, Calif.

Wiedemann Machine Co.
Philadelphia, Pa.

The Wilcolator Co.
Elizabeth, N. J.

L. A. Young Spring & Wire
Corp., Detroit, Mich.

(Names and winners of the Army-Navy and Maritime Commission awards for excellence in production announced prior to this new list will be found in previous issues of Business Week.)

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of normal requirements. Chief users
this oil are hotels, office buildings, in-
al plants, and apartment houses. This
action, taken at the request of PAW,
not apply to the Middle West.
endment 39, Revised Ration Order 11.)

Price Control Changes

Director of Economic Stabilization Fred
Ninson has ordered OPA and WFA to
a ceiling-over-cost method in establish-
maximum prices for fresh fruits and
vegetables. Distributors' prices will now be
determined by adding appropriate markups to
their actual costs rather than, as in the
past, to their suppliers' ceiling prices.

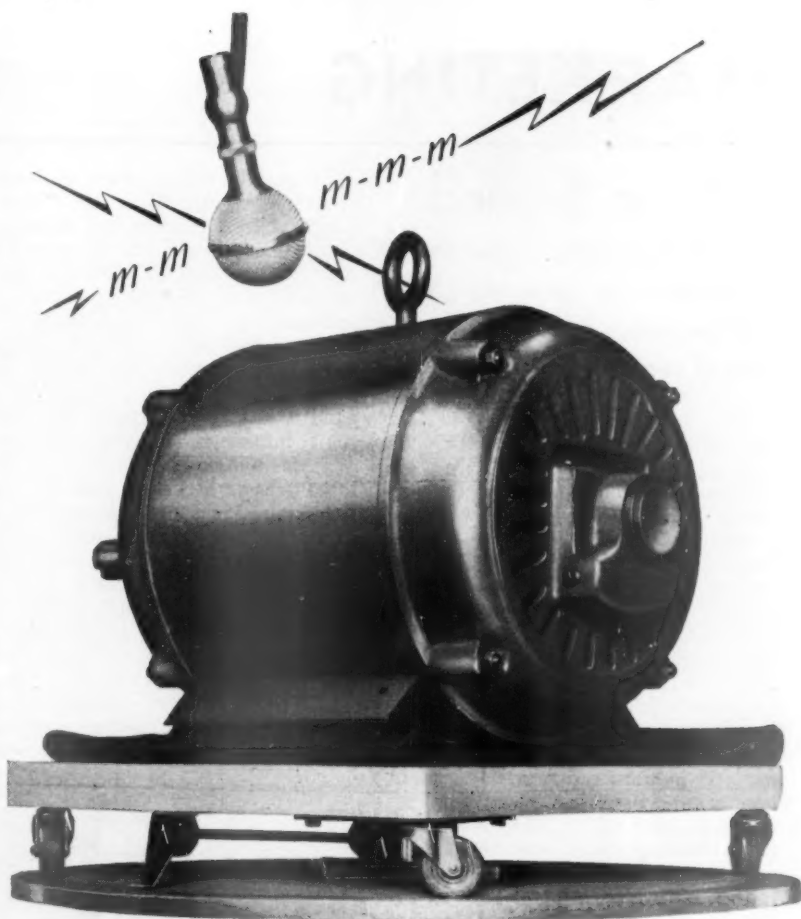
Meat Labeling—To protect consumers
against the upgrading of meat in retail
stores, OES now requires grade labeling
on dressed carcasses of beef, veal, lamb, and
pork to appear at least every two inches
along all primal cuts. (Amendment 1, Of-
fice of Economic Stabilization Regulation
11.)

Garments—Manufacturing-retailers of
garments are exempted from highest
price line limitations between Nov. 24,
1944, and Mar. 1, 1945, to allow time to
dispose of garments for which skins had
been bought when they were not subject
to a higher price line limitation. (Amend-
ment 2, Supplementary Order 93.)

Cotton Ginning—An optional pricing
method allows all cotton ginner in Cali-
fornia to increase their maximum price
to \$1.00 per 100 lb. of picked seed cotton for
ginning alone. If the ginner made separate
charges in the base period for all allied
services, he may charge 110% of his base
period prices for the separate services.
This OPA action was taken because a gin-
ning price war in California at the time
the original freeze resulted in abnormally
high ceilings for some ginneries; also to com-
pensate for substantial labor cost increases.
(Amendment 8, Regulation 211.)

Duck Fabrics—OPA has exempted from
price control all constructions of duck
fabrics, in the gray, sold under contract to
the War or Navy departments from Dec. 14,
1944, through Mar. 13, 1945. It is under-
stood that the services will use the same
pricing and accounting methods as are used
under OPA in granting individual adjustments.
(Amendment 27, Regulation 118.)

Bicycles—Dollar-and-cents ceiling prices,
in line with those of March, 1942, for newly
authorized war model balloon-tire bicycles
and war model folding bicycles have been
announced by OPA. Typical retail ceiling
prices in the eastern area range from \$32.50
for lightweight conventional bicycles to
\$45.00 for balloon-tire folding bicycles.
Certain sellers, including mail-order houses,
have special provisions for computing their
ceilings, and regional differentials are al-
lowed to take care of freight costs in the
Middle West or West. Maximum prices
for manufacturers' sales are established at
uniform levels. (Amendment 3, Regulation
188; Amendment 47, Regulation 188; Or-
der 3145 to Reg. 188.)



Sh-h!

This motor's on the air. And to make a hit with its really tough audience of Robbins & Myers engineers, it must operate silently.

This broadcast, in reverse, is a noise-level test that all newly designed R & M Uni-Shell Motors must pass. Magnetic and mechanical motor noises can be a problem, for example, in a theater blower application. What performer on the stage would care to compete with the high-pitched whine of a noisy motor driving a ventilating fan? And what audience would wait around to see who won?

Robbins & Myers engineers design motors for quiet operation. But they don't stop there. While the motor is operating, a microphone picks up and records its noise level on instruments outside the quiet room or "studio." Needless to say, only those designs that face the mike in deepest quiet get by.

If you are faced with the problem of finding the right motor for your particular application, write us! We'll be glad to help. That also goes for problems of materials handling, converting machines to direct drive, ventilating, or pumping. Address: Robbins & Myers, Inc., Springfield, Ohio. In Canada: Robbins & Myers Co. of Canada, Ltd., Brantford, Ontario.

ROBBINS & MYERS, Inc.

FOUNDED 1878

MOTORS · HOISTS · CRANES · MACHINE DRIVES · FANS · MOYNO PUMPS

MARKETING

N.R.I. to Expand

Nielsen Radio Index to be on nationwide basis after war and become nucleus for extension of services into new fields.

Sales managers who figure they have only to spit on their hands and tell the boys to go to it, come V-E Day, are reckoning without the marketing research agencies, which already foresee a postwar demand for their services limited only by the availability of trained researchers and proved techniques.

• **New Services Planned**—In its sleek Chicago offices, A. C. Nielsen Co., long a bellwether for the industry, is drawing up plans which give some indication of the industry's expectations.

Nielsen has been known primarily for its indexes of food, drug, and liquor sales—based on samples of retail stores—and for its index of metered radio listening which company officials refer to as the "N.R.I." (Nielsen Radio Index). Now Nielsen plans both an expansion of these established services and the addition of new services calculated to add manufacturers in many other industries to its list of clients.

• **Index to Expand**—Nielsen is not exposing all its plans, but those which the company will discuss include expansion of the radio index to put it on a nationwide basis to become the nucleus of most of the other plans.

The N.R.I. is based on the use of Nielsen's "audimeters," mechanical meters which can be attached to radios in sample homes to measure program listening (BW—Dec. 7'40, p38). Nielsen now claims coverage of an estimated 25% of all U. S. radio homes through a carefully selected sample covering lower Wisconsin, Illinois, part of Ohio, Indiana, Pennsylvania, part of New York state, New Jersey, and part of Maryland. Extension of the sample has been limited primarily by the priorities problem involved in getting new meters.

• **Direct Interviews Planned**—Nielsen has always laid great stress on the personal contact between members of its field staff and the homes in which audimeters are installed. Staff members take an inventory of kitchen and bathroom cupboards, and check the effectiveness of clients' radio advertising against family purchases, in addition to monthly servicing of the meters.

During the war, Nielsen has worked its sample for the OPA, the Office of Civilian Requirements, and other government agencies. The company has reported regularly to OPA on pantry stocks of commercial and home-canned fruits and vegetables, for example. Encouraged by the sample's effectiveness in measuring many things besides radio listening, Nielsen would now like to expand it to take up, through direct consumer interviews, where the food, drug, and liquor indexes leave off, by analyzing purchases, as well as sales.

• **Several Lines Considered**—Nielsen could then tell its clients who was buying their products in terms of such characteristics as family income, age, sex, number and ages of children, location—by city sizes, farm, and rural nonfarm—education, occupation, and type of housing. And these factors could be measured against such information as amounts purchased, frequency of purchase, prices paid, and stores patronized.

In the beginning, this service would be made available to Nielsen's present clients, largely manufacturers of nationally advertised goods, frequently purchased and consumed in large quantities—and therefore requiring only a small sample to indicate trends.

This same sample, supplemented by retail sales samples, could also be used to work for lines of low-unit, steadily consumed goods which Nielsen has not yet covered. The company has its eye on such goods as gasoline, soft drinks and beer, shoes, and some articles of nationally advertised clothing.

• **To Check Magazine Reading**—Eventually, Nielsen thinks, the sample could be extended to give adequate coverage for direct consumer research on durable and semidurable goods—household appliances, automobiles, furniture, building materials. As in other areas, the consumer sample would be correlated with sales reports from retail stores.

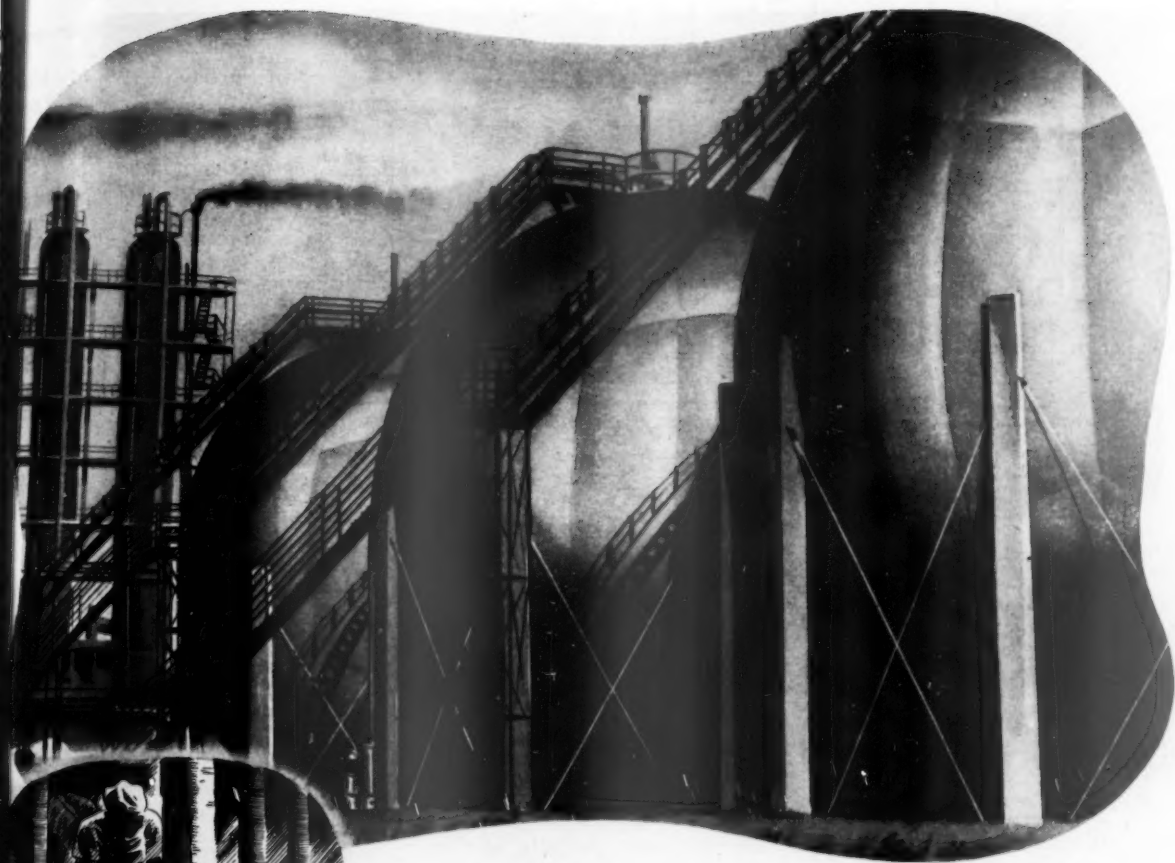
Nielsen also plans to use its consumer samples to do for other advertising media what the audimeter now does for radio, by measuring magazine and newspaper readership. Nielsen plans to correlate readership of individual national



THEY VOTE THEIR CHOICE

Thoughtful shoppers in Macy's New York department store study not-for-profit postwar toasters before voting a preference. The balloting was conducted by Philadelphia's Proctor Electric Co. which is convinced that design will be an all-important factor in tomorrow's competitive market. The models, styled Van Doren, Nowland, and Schladermundt, and identified only by letters (above), were shifted constantly during the test to preclude any psychological selection that might be based on position. One model gleaned more than 100 votes, but which one remains Proctor's postwar trade secret.

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RUBBER PLANTATION *Gulf South Style*

The War for Freedom rolls on rubber... a great deal of which
is made of petroleum products from this homeland of Natural Gas and Oil.

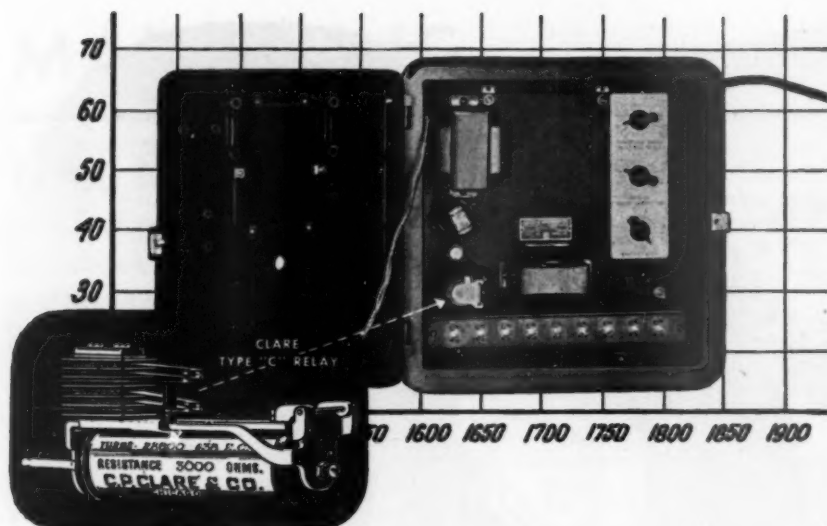
Tank treads, tires for half-tracks, airplanes, jeeps and trucks, beating
gallant trails into enemy-occupied lands, are the children of the mighty cracking units
now producing at top speed throughout this Cradle of Victory... the Gulf South!
Rubber—springing now from Gulf South petroleum products for Victory—will,
in peacetime, attract many new industries to this area of rich resources.



THE *Gulf South*

ITS RESOURCES, ITS MANPOWER
ITS PRODUCTION ARE ALL
DEDICATED TO VICTORY

UNITED GAS PIPE LINE COMPANY: A Natural Gas transmission company dedicated to serve wartime fuel requirements throughout the Gulf South.
FOR TEXAS—Mail received at Beaumont, Dallas, Fort Worth, Houston, Longview, San Antonio and Wichita Falls. FOR LOUISIANA—Mail received
Baton Rouge, Lake Charles, Monroe, New Orleans and Shreveport. FOR MISSISSIPPI, ALABAMA and FLORIDA—Mail received at Jackson, Miss.



Micromax Electric Controls Maintain Precise Furnace Temperatures with the help of CLARE "Custom-Built" RELAYS

Precise, even heat control, demanded in operation of electric furnaces, ovens and baths, is provided with the help of Clare "Custom-Built" Relays in the Micromax Electric Control, a product of the Leeds and Northrup Company of Philadelphia, Pa.

Whenever temperature leaves the pre-determined point, a Clare "Custom-Built" Type "C" Relay is operated to modify the on-off action of the contactor . . . to readjust the heat input and restore balance in the control circuit.

For this important place in their Micromax Electrical Controls, the Leeds and Northrup Company found the positive action and absolute dependability of Clare "Custom-Built" Relays to most exactly meet requirements.

This use of Clare "Custom-Built" Relays to operate delicate controls is typical of the way in which engineers and designers everywhere are finding Clare the exact relay for the unusual application . . . the spot where ordinary relays won't do.

Whatever your relay design or production problem may be, you will find that Clare "Custom-Built" Relays will offer a flexibility of mountings, contact ratings, contact forms, coil windings, closure sequences and pressures that will meet it most exactly. All Clare "Custom-Built" Relays are made from the finest materials and are precisely adjusted.

What is your problem? Let Clare "custom-build" a relay to your specifications. Investigate the possibilities for higher efficiency and reduced relay costs. Send for the Clare catalog and data book. Address C. P. Clare & Co., 4719 West Sunnyside Avenue, Chicago 30, Illinois. Sales engineers in all principal cities. Cable address: CLARELAY.

CLARE RELAYS

"CUSTOM-BUILT" Multiple Contact Relays for Electrical, Electronic and Industrial Use

zines, but will measure newspaper circulation only generally.

• **Techniques Improved**—Merck-Nielsen is plugging along at the perfecting its existing techniques. Recently the company joined the Commerce Dept. in a piece of research through which Nielsen hopes to increase the accuracy of the index used in its drug index (BW—Nov. p88).

The basic data which made the Merck-Nielsen survey possible came from the Bureau of Narcotics of all U. S. drug stores. Nielsen hopes to use its commercial computer data for a general overhauling of the food index.

Monopoly Shell

Minneapolis filling station operators join A.F.L. en masse. Move seen as an effort to establish liability under antitrust laws.

Recent affiliation of several independent filling station operators in Minneapolis with the A.F.L. International Brotherhood of Teamsters causing a furor—and has even attracted attention of the Antitrust Division of the U. S. Dept. of Justice.

• **Ducking Liability?**—For those some who see in this union affiliation by gasoline service station lessees an effort to avoid liability under antitrust statutes in such matters as market price schedules for services, and protection. The Antitrust Division ordered an investigation of the set.

In 1933 the Minnesota Legislature passed a chain store tax law providing increasingly heavy levies on chain units. The law was revised in 1937, expired in 1940.

• **Trade Association Formed**—To avoid tax liability, major oil companies began leasing their service stations to independent operators—the so-called "lease plan" (BW—Apr. 25 '36, p9). In 1938 the Minneapolis Assn. of Petroleum Retailers was organized among lessees, with Harry A. Jackson as executive secretary. Purpose was that of a trade association and, so far as possible, to aid lessees in their dealings with oil companies.

Three years ago, according to the association members voted to affiliate with the A.F.L. to strengthen their position. But directors did not like the makeup of the Minneapolis Teamsters Joint Council at that time, and did not push the matter.

• **Complexion Changed**—This fall, the complexion of the joint council



Finish the Fight — with War Bonds

All-star Production

Long before the B-29's bombed Japan, the Boeing Superfortress was faced with its first great challenge. This was in the battle of production . . . the problem of establishing one of the greatest manufacturing programs ever attempted.

Producing the Boeing-designed Superfortress in quantity is a colossal example of team-work involving people and plants all over America.

Completed B-29's are turned out by Boeing plants at Wichita, Kans., and Seattle-Renton, Wash., and by the Martin and Bell aircraft companies as well.

Major assemblies are built by Briggs, Cessna, Chrysler's De Soto Division, General Motors' Fisher Body Division,

Goodyear Aircraft, Hudson, Murray and A. O. Smith.

The Superfortresses' huge engines are manufactured by Wright Aeronautical and by Chrysler's Dodge Division. Their 16½-foot Hamilton Standard propellers by United Aircraft and Nash Kelvinator.

Literally thousands of sub-contractors and suppliers, from small shops to large factories, supply sub-assemblies, parts and equipment.

To Boeing fell the task of co-ordinating this vast, nation-wide manufacturing organization. Its engineers furnished design and engineering data to the other companies involved, and laid down the tooling plans.

Boeing production specialists blazed new trails in planning, developed new facilities, processes and manufacturing procedures on a scale never before tried. They had to execute the program in terms of other manufacturers, and in Boeing plants at the same time. For Boeing's own eventual schedule is approximately 75% of all Superfortress production.

After Japan is defeated, this unique experience, and this same Boeing ingenuity in research, design, engineering and manufacture will be turned to peacetime aircraft. And you can know of any product . . . if it's "Built by Boeing" it's bound to be good.

DESIGNERS OF THE B-29 SUPERFORTRESS • THE FLYING FORTRESS • THE NEW STRATOCRUISER
THE KAYDET TRAINER • THE STRATOLINER • PAN AMERICAN CLIPPERS

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more to their liking, and with a lessee section already functioning in Petroleum Workers Local 977 of the Teamsters, directors of the association carried out the members' three-year-old mandate, joined the petroleum lessee section of Local 977. Jackson became business representative.

In a letter to members, Jackson explained that the affiliation joins "all gasoline retailers together in maintaining a program of definite protection," under which members must have and maintain:

Definite marginal compensation, to be arrived at by membership vote.

Fair operating hours, to be determined by membership vote.

Fair lease protection.

Fair schedule of services, to be determined by membership vote.

Fair tire practices by company stores.

• **Membership Grows**—The petroleum retailers association had 265 members when it joined Local 977. With those previously in the local's lessee section, plus new members, Jackson says the union now has more than twice that number, some operating more than one station.

Jackson says the union will seek no group contract, will handle cases individually, will "intercede as a mediator" between lessee and lessor to arrive at agreements fair and equitable to both.

Sontag Sells Out

United Drug takes over California chain famous for its price-cutting tactics. Price was estimated at \$2,000,000.

The Sontag drugstores of California—the famed price-slashing "pineboards"—that wrote merchandising history during the depression—last week completed their steady transformation into orthodoxy; United Drug, Inc., which operates the Owl, Liggett, and Rexall affiliated stores, affixed the stamp of complete respectability by acquiring the 48 Sontag stores for a figure estimated by the trade to be in the neighborhood of \$2,000,000.

• **Started on Shoestring**—Such a figure would have been in the realm of sheer fantasy 15 years ago to Morris, Minnie, and Nathan Sontag when they opened their first store in Los Angeles, strictly on a shoestring. But the "pineboards," so called because the shelving in the early stores was built out of the packing cases in which the goods were shipped, caught on fast, as wages hit the skids and unemployment began to take a heavy toll.

With low store rent, thanks to their usual midblock location, and with no prescription business or fountain service, the "pineys" were able to boast an overhead cost as low as 13% and to halve the margins required by other drug outlets, both chain and independent. Price cutting on nationally advertised brands was the big Sontag specialty.

• **Led to Trade Laws**—But if the "pineys" clicked with their customers, not only in Los Angeles but in eastern metropolitan centers where the Sontag pattern was quickly copied, they were anathema to established retailers. Unable to keep pace with the Sontags, the druggists inevitably sought legislative relief, and that led in 1931 to the original California fair trade law, permitting a manufacturer to set minimum resale prices on his branded goods in the state, and to the development two years later of the famous "nonsigner" amendment, which really put the fair trade laws and retail price fixing on the map in 45 states.

The nonsigner clause, upheld by the U. S. Supreme Court, provided that any minimum resale price which a manufacturer might fix in a contract with any retailer in the state was automatically binding on all other retailers.

• **Picture Changes**—That clause, when it took hold, put the blocks to the Sontags, but instead of folding up, the Son-

RESULTS

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A new, dynamic method of organizing and presenting a talk—developed and proved by an outstanding coach of effective speakers. Includes 11 topnotch business speeches. Use this book to make your platform appearances win you encores.

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Besides presenting many successful speeches by some of America's business leaders who have used C-I-M-A, the author gives 25 direct, practical hints to speakers, showing how to begin with a bang, how to hold attention all the way through, how to close with maximum effect.

Examine this book 10 days on approval. See how easy it is to master the 4 essential fundamentals of effective speaking that will put over any kind of public talk.

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Director of Sales Training for the Illinois Agricultural Association and subsidiary companies.

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Strawberries in January at June Prices

WITH THE HELP OF YOUR ELECTRIC COMPANY

When power plants and electric companies return to normal operation, "seasons" in foods will end. Cabinets have already been perfected to permit quick-freezing of foods in your own kitchen. They will probably cost no more than an electrical refrigerator to own or to operate. You'll enjoy in January the frozen-fresh flavor of strawberries bought at June prices.

Quick-freezing is just one of the many contributions to better living that will be made by the electric industries. A complete electric home laundry will be available that will wash, wring, dry and iron your clothes—all in as little time as three hours. Other household tasks will also be cut short and made easier by electric power.

Look forward to enjoying the new comforts and conveniences that will flow into your home with your electric current.

For use in central stations that will provide the electric power to operate your improved home appliances, Lebanon Steel Foundry produces castings for turbines, valves,

fittings and boiler feed pumps. Power plant service conditions overcome by Circle ① Castings include high pressures and elevated temperatures.

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SMIRKLESS SERVICE

The evident modesty of the male is paying off for Mrs. Antoinette Quileret, proprietor of a new Manhattan lingerie shop—dedicated to gift-seeking men. Its staffed by women adept at guessing sizes from gestured description (above), who are cordial but never betray amusement at male requests for feminine dainties. Ladies are not barred—too many secretaries shop for bosses—but the shop definitely prefers male customers.

tags decided to try it the hard way. They went legit. The nude electric light bulbs gave way to fluorescent lights. The packing cases went into the back room, and orthodox fixtures made their bow; slowly even the merchandise displays on counters and tables began to lose their characteristic look of jumbled confusion. Long-profit prescription departments, soda fountains, and liquor counters were installed.

Prices went up, where the law said they had to, but on other goods, price cutting, indicated by big, bright price tags, was still the order of the day. The transformation didn't happen overnight—the Sontags were too shrewd merchandisers for any sudden changes—but it did happen, and it paid dividends.

• **Net Sales Climb**—And at the time of the sale business was booming. Net sales for the year ended Feb. 29, 1944, were \$13,546,822, compared with \$9,331,845 the year before. Earnings per share were \$1.40, and in 1943 dividends of \$1 were paid on the common stock, compared to a 20¢ dividend in 1942.

Some time ago stockholders of the Sontag chain were notified of an offer to sell the company's common stock at \$14.19 a share, but United was not disclosed as the purchaser until last week when all stores were sold, effective Dec.

12. Sontag's employees numbered approximately 1,300.

• **Still On Board**—Minnie (who is the wife of Morris); Nathan, a brother; and Morris himself were still in control of the firm at its demise, serving on the board of directors. L. V. Lloyd took over in June as president after William Raboff, also chairman of another chain of pineboard stores, Sun Ray Drug Co. of Philadelphia, resigned.

At one time Sontag owned an interest in the Sun Ray chain, but during 1940 its holdings were sold at a net profit of \$211,633 after taxes, and these proceeds were used to liquidate all bank loans. In its turn, Sun Ray in 1942 acquired a substantial stock interest in Sontag which it disposed of at the time Raboff left Sontag.

D.D.D. OR DDT

Dichloro-diphenyl-trichloroethane is the tongue twisting name of a powerful new insecticide that thousands of servicemen know simply as DDT. That's the background of another potential trademark fight.

Producers of DDT have been warned by D.D.D. Corp., Batavia, Ill., that if they market their product as DDT, this will be considered an infringement of D.D.D., the company's registered trademark for a medicine for eczema.

Right now the entire production of DDT is used by the armed forces. But D.D.D. Corp. is aware that those initials make a natural moniker for the postwar civilian product.

Aside from its concern lest eczema sufferers mistakenly use DDT, which presumably is toxic, instead of D.D.D., the company's warning was obviously prompted by a third factor: The identity of its 50-year-old skin medicine might be so eclipsed by the fame of DDT that the public would avoid it, thinking it an insecticide.

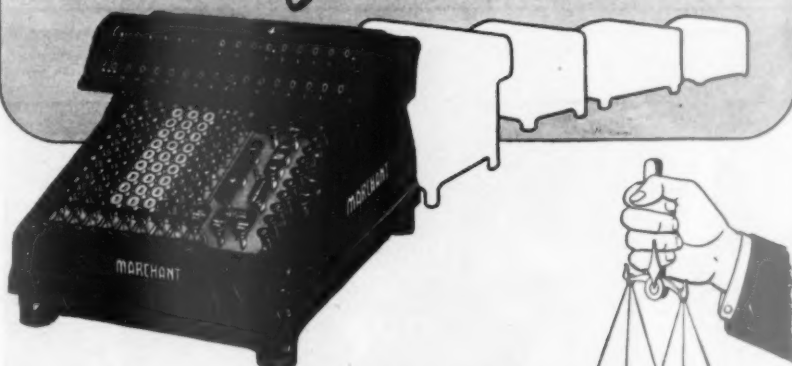
RENEWABLE GUARANTEE

While Zenith and some of its competitors are battling on the hearing-aid front (BW-Dec.16'44,p36), an entirely new and medium-priced instrument enters the market—with a novel merchandising idea. Its producer, C. L. Hofmann Corp. of Pittsburgh, already makes the \$50 Duratron.

Built to retail at \$75, the new three-tube Unitron is complete (except for its ear plug) in one vest-pocket-sized chassis that eliminates considerable wiring and a separate battery case.

Under the Unitron marketing plan, the newcomer is sold with a one-year guarantee which the user can renew for the succeeding year upon payment of \$15 and receipt of a replacement chassis.

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CHOOSE BY THIS CHECK-LIST:

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COMPARE provisions for re-check of entries after answer is complete...a safety factor assuring correct calculations, always. . . .

COMPARE means for detection and correction of improperly set figures, during or after their entry. . . .

COMPARE simplicity and all-round ease of operation. . . .

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Arden Appeals

Cosmetic house takes FTC order to court in an effort to continue use of demonstrators. Extended fight is likely.

Eight years of litigation to decide whether toilet goods manufacturers may legally pay salaries to well-groomed young women behind cosmetic counters of leading department stores may be extended another year or two by Elizabeth Arden's appeal of a recent Federal Trade Commission order (BW-Oct. 14'44,p92). Under the order, Arden is forbidden to furnish demonstrators to

retail outlets unless their services are "proportionalized" among other competing accounts.

• **Basis of Appeal**—Grounds of the Arden petition are (1) that Sec. 2 [e] of the Robinson-Patman Act is unconstitutional because Congress failed to include any limitation to interstate commerce in this particular antidiscrimination clause; and (2) that the commission's complaint did not charge, and the commission did not find, that Arden's demonstrator policies lessened competition or tended to monopoly, the showing required by the law.

If the Second Circuit Court of Appeals in New York City doesn't agree with either argument, Arden asks it to strike from the order a provision that the respondent cease and desist from

furnishing demonstrator services "to any retailer purchasing their products when such services are not accorded on proportionally equal terms to other retailer purchasers located in the same city, or other retailer purchasers who in fact resell such products in competition with retailers who receive such services."

• **Definition Required**—Deletion of this provision would seem to permit Arden to continue furnishing demonstrators to exclusive outlets in selected cities or trade areas. Apparently this would require the court to indicate the boundaries of interstate commerce for department stores, and trade pessimists think this is something the court will eagerly avoid. Numerous metropolitan stores advertise in national magazines and do business by mail all over the country in all 48 states. Others have well-defined local trade areas.

About the only way to get around the demonstrator ban which seems likely to be acceptable to the FTC would be to pay a "demonstrator allowance" to stores where the services of a demonstrator are not actually furnished. Cosmetic merchandising experts say this will not "pay out."

• **Decision Awaited**—Six other cosmetic demonstrator cases, pending before FTC since as early as 1936, are not alike in all points but all are awaiting the decision on the Arden case. If the latter goes to the Supreme Court, it may be a long wait.



STUMPING FOR CITRUS

Five western governors join in playful press agency for grapefruit produced in the California-Arizona deserts while Florida's chief executive speaks up for his state's citrus industry. All are bent on capturing for their respective areas the big northeastern fruit markets. Eating samples to kick off the \$200,000 campaign plugging desert-grown grapefruit (BW-Nov. 4'44,p90) are (left to right) Governors John J. Dempsey, New Mexico; Sidney P. Osborn, Arizona; Herbert B. Maw, Utah; Sam C. Ford, Montana; and E. P. Carville, Nevada. As part of their stunt at Phoenix, the governors wore goggles pushed up—to make the fictitious point that desert grapefruit doesn't squirt. More sedate was

Gov. Spessard L. Holland (below) who spoke to eastern food experts and editors at New York in behalf of the Florida Citrus Commission.



VITAMIN RULING FOUGHT

The first major counterblow against the recent wave of state regulations restricting the sale of vitamins to drug stores was launched this week.

Ernest C. Hermann, New York retail grocer, brought action against the New York State Board of Pharmacy in the state supreme court for a declaratory judgment that would permit stores other than licensed pharmacies to sell vitamins and vitamin products, a practice prohibited by a ruling of the state attorney general last June (BW-Jul. 1'44, p88).

Hermann is backed by an informal committee representing such interests as the New York State Food Merchants Assn., Limited Price Variety Stores Assn., Inc., Supermarket Institute, several large food chains, and some vitamin manufacturers and department stores.

Within the past two years the attorneys general of about a dozen states have issued opinions that in effect restrict vitamin sales to drug stores, although several states have compromise clauses that permit sale in other outlets if the vitamin package is labeled "not for medicinal use."



ARMY AIR FORCES PHOTO

IN A FAR-OFF U.S. Army Air Forces base, deep in the Pacific, a telegrapher rattles his key...

"need P-61's number to X"... "need six complete fighter plane wing assemblies classification Y"... "need—"

A very short time later, a bell rings on a machine in a building at Wright Field, near Dayton, Ohio. Softly clacking keys reproduce the appeal on a cablegram form.



At once a vast and highly organized system is set in motion. The deadly P-61's—Black Widows—must go by ship. But no time is lost by the Air Technical Service Command. Westward they go: by sea, in knockdown form.

The wing assemblies are loaded into cargo planes almost immediately. Off they go, by air. And soon, six fighter planes will roar back into combat against the Japs.

That building near Dayton houses the headquarters of the Air Technical Service Command, which supplies and maintains all equipment of the Army Air Forces.

Its *Supply Division* is the heart of the ATSC. Hundreds of thousands of different items are handled—bombers and bolts, bombs and bullets, fuel and flying suits, jungle kits and medical supplies.

Fully as important is the *Maintenance Division*, which keeps Army Air Forces airplanes in combat condition.

At huge shops in this country, planes are completely overhauled, made as good as new. Overseas, service units operate depots for repairing and overhauling planes in combat theaters. All told, the ATSC may repair as many as 25,000 airplanes in a single month.

The *Personnel Division* of ATSC

supplies and trains the 300,000 civilian workers who make this command the largest industrial employer in the world.

These men and women and the uniformed members of the ATSC are in a real sense the guardians of the men who wear the Silver Wings. The finest tribute to their efficiency is the proud record of our Army Air Forces.

WAR BONDS—TO HAVE AND TO HOLD!

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Honeymoon's End

Higgins seeks to cancel A.F.L. contracts in favor of one over-all pact. Pitched battle may involve C.I.O. and independent.

Announcement by Andrew J. Higgins that Higgins Industries, Inc., has canceled its contracts with the A.F.L., effective Jan. 1, has brought into the open again the issue of industrial vs. craft unionism and raised a pointed question: What is behind Higgins' change of mind toward A.F.L.?

• **No Visible Friction**—Since 1940, Higgins plants in New Orleans have had contracts with 33 A.F.L. trade unions, covering between 10,000 and 12,000 workers. During that time there have been no strikes and no visible friction.

The C.I.O. many times eyed the Higgins plants enviously, but every possible entry was blocked.

• **Over-All Union**—Then, in November, Higgins startled the A.F.L. with a letter proposing that a revision be made in its traditional union setup, to allow an over-all union to function for all the crafts in his shipyards. A.F.L., of course, refused.

Higgins then notified each A.F.L. union in the yards that the master contract between Higgins Industries and the A.F.L. would be canceled as of Jan. 1, nine months before the normal expiration date.

• **Construction or Repair?**—The New Orleans shipbuilder gave as an excuse a dispute with the various A.F.L. unions over whether work for the Maritime Commission on ships sent down from the Great Lakes should be classified as new construction or repair work. Higgins contended that it was new construction, on which overtime is payable at time and a half.

The A.F.L. contended that the work, involving the assembly of the ship superstructure, was repair work, on which overtime is payable at double time. Higgins claimed that the Maritime Commission contract was canceled as a result of the dispute.

• **The Real Root**—The argument was clouded by claims and counterclaims; the commission straddled the fence. There was little doubt, however, that the controversy went much deeper, and that its real root was in Higgins' change of attitude toward the A.F.L.

The existence of this change has been

increasingly evident. Several times Higgins has expressed resentment over the necessity of working with 13 or more different unions. He complained that time and time again men on one part of a job, held up by a shortage of materials or some other factor, would stand idle, while another part of the same job would be shorthanded. He contended that the men were willing to pitch in and help, but their union rules prevented them from doing so.

For this reason, Higgins advanced his proposal of a company-wide union, and, apparently, bided his time to get one.

• **New Union**—Immediately after the A.F.L. contract was canceled, formation of an independent union at Higgins Industries was announced, and the new union petitioned the National Labor Relations Board for a plant-wide collective bargaining election.

A.F.L., however, let it be known that it considered its contract in effect until the expiration date, Sept. 13, 1945, and the A.F.L. Building Trades Council and Metal Trades Council at Higgins filed charges with the NLRB against Higgins

alleging restraint, coercion, and interference with employees. The council also charged that seven employees had been discharged because of activity in behalf of the A.F.L.

• **Fictional Difference**—The difference between industrial and craft unions, in practice, is largely fictional. Both A.F.L. and C.I.O. make use of master contracts, negotiated by a central committee of representatives of all groups of workers—whether in one union or in a number of them. And in both cases, the workers are largely limited to doing the job for which they are classified.

However, the reaction in C.I.O.'s Industrial Union of Marine & Shipbuilding Workers of America was immediate.

• **In the Scramble**—Thomas J. Gallagher, organizing director, and W. T. Crist, Gulf director of the union, conferred in Camden, N. J., about the Higgins development and announced that the union would not delay in entering the organizing scramble now apparently bound to come.

• **A.F.L. Will Fight**—One thing is certain: A.F.L. will not permit Higgins to change unions without a hard fight. In this it will have the support of a Wagner act provision which bars an employer from favoring one union over another.



WITHOUT FAVORITISM

Observed by a two-man board of examiners, a Pennsylvania-Central Airlines mechanic demonstrates his skill on aircraft "plumbing" in trying out for a better job. Such tests, plus oral examinations, are part of P.C.A.'s new system of promoting employees solely on ability. Before his test, each worker learns various shop operations under a job-rotation plan. Then the board, consisting of a foreman to represent management and a fellow-mechanic to speak for labor, puts the worker through his paces—supervised by a nonvoting chairman.

It's a Thrill to Eat a Cookie...

*When It Looks and
Tastes Like One"*

Looks good. Tastes good. It is good. It's a
cookie made with ARLEX for we people on
sugar- and starch-restricted diets. Now we can
satisfy our sweet tooth with cookies and candies
that look and taste just as good as the real thing."



The lady is right.

For those with special dietary requirements, Arlex has the same bulking value and sweetness of dextrose sugars, and almost the same calorific value, yet Arlex can be tolerated far more easily than these commercial sugar syrups. The bulking value of Arlex gives cookies the meaty goodness people want and expect. Arlex sweetened cookies do not have the flannel-like taste associated with sugar-substitute agents lacking bulk.

Arlex is many things to many products. Besides its use in dietetic foods, it is used as a conditioner of hygroscopic materials to maintain moisture content within a narrow range, keep products fresh, increase product life.

Arlex (Atlas Commercial Sorbitol Solution) is only one of more than one hundred chemical materials in the Atlas stockpile of ideas. Synergistic* planning is putting these stockpiles to work for better post-war products. We should like to make the stockpile available to you.

Consult us now on the products you are preparing for post-war competition.

Synergism — A meeting
of minds to solve problems
pooling of ideas and
achieving results greater than
the sum of the ideas expressed.
Creative thinking can make
the difference.

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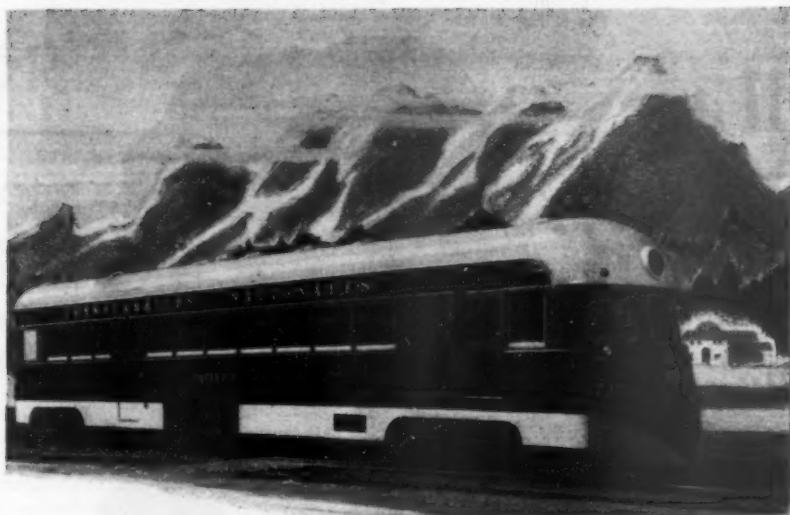


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Activated Carbons • Industrial Chemicals • Ordnance Material

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Sea Level Power

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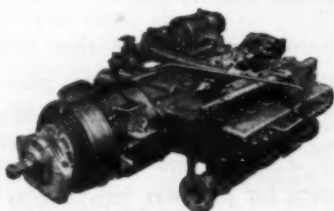
B-W SUPERCHARGED ENGINES PULL THESE MOTORAILERS OVER THE ANDES

Faster acceleration from standstill
...power to negotiate steep grades
...sea-level performance at Bogotá and points 12,000 feet up—these requirements were readily met by the twenty self-propelled rail cars delivered before the war to the Colombian Nat'l Railways.

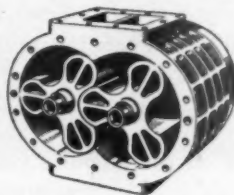
Built by American Car & Foundry

Company, these cars were driven by Waukesha-Hesselman engines supercharged with B-W (McCulloch) Superchargers.

Not only have these supercharged engines met all power demands of the motor rail cars with their trailers, but have also enabled these cars to take the place of unobtainable locomotives in hauling strings of freight cars.



Two Waukesha-Hesselman six cylinder, electric-ignition engines, suspended under the floor, power each rail car. Supercharger is driven by a V-belt from crankshaft.



B-W Positive Displacement Superchargers supercharge at all speeds and in proportion to the need of the engine for air.



SUPERCHARGERS, Inc.

• DIVISION OF BORG-WARNER

Milwaukee 9, Wisconsin

Still Writing L

Supreme Court puts down on union discrimination against Negroes, and bars NLRB's power over con

Management men got a pointer again this week that the Supreme Court is continuing labor relations law.

In one case the court, acting mously, began to stake out its on the highly controversial issue of groes and unions.

In another, the justices set the approval on an oft-litigated case the National Labor Relations Board.

• **Displaced by White**—Bester Steel, a Negro employee of the ville & Nashville R.R., sued his employer and the Brotherhood of Locomotive Firemen & Enginemen that, as a result of the brotherhood's 1941 contract with 21 southern roads (including L. & N.), he be displaced by a white and demoted to a less desirable job. The contract provided that only white men are to be promoted to engine positions and that no nonpromotable men were to be hired.

The lower courts, in southern dictions, all held Steel's petition without merit.

• **Rulings Reversed**—The Supreme Court reversed these rulings, holding that the Railway Labor Act prohibits employers against management agreements seeking to drive the out of jobs or deny them promotion. The court held further that a union possesses exclusive bargaining rights is legal, and that employees working within the unit, whether they are union members or not.

Although the justices qualified their statement about a union's obligation to represent members and nonmembers alike by adding that at least the majority could not discriminate against a minority, the decision created a new labor circles.

• **Little Incentive**—Union officials that if they have to take up grievances to handle arbitration proceedings, other things for nonmembers isn't much incentive for a worker to join the union, pay dues, and bear the expense of getting benefits.

Labor leaders are seeking further interpretations of what the court has in mind.

• **Contract Set Aside**—In the other NLRB had conducted an election following a strike at the Richmond



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Through the screen of your postwar television receiver, the pleasures of tomorrow's peacetime world will come to you in overflowing measure. You'll see a rich, living tapestry woven from the color, the laughter and suspense of the theatre, the sports field. You'll enjoy a new kind of diversity for all the family...with magic carpet

lessons...and world leaders as teachers. You'll thrill at a Twentieth-Century newspaper that mirrors events as they transpire; conferring on every man the honor of participating in things worthwhile, lifting him to new joy and new dignity in the history of the world.

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HOW TO relax wartime economic CONTROLS safely in line with postwar job objectives

This book deals fully, clearly, and readably with the vital and many-sided question of demobilizing wartime controls. It presents a thorough survey of the kinds of controls, their objectives, authority, effect, etc., analyzes carefully the varying circumstances under which need for them may abate, and offers specific recommendations for the time, manner, and degree of their cessation that most will support objectives of high production and job opportunities in the postwar period.



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Va.) plant of the Wallace Corp., had certified as exclusive bargaining agency an independent union that won the election, then had set aside the contract which ensued from negotiations.

The board justified its reversal by claiming that it had found the company engaging in unfair labor practices by discharging 43 employees for outside union activity.

The employer contention that NLRB had no right to upset what had become an established bargaining relationship was brushed aside by the court, which sustained NLRB.

BARGAINING LIMITED

Municipal employees may organize and deal collectively concerning their jobs, but no contract may be drawn denying the municipality the privilege of bargaining with other organizations or employees. So declared a Baltimore court in invalidating a contract between the city Public Works Dept. and an American Federation of Labor local.

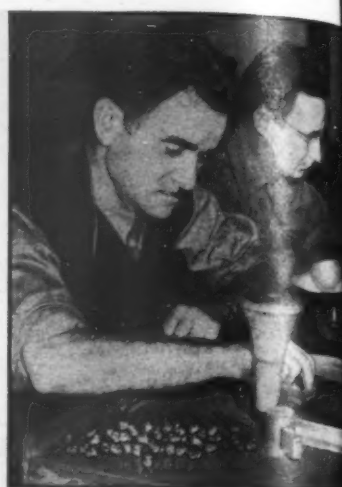
The proposed contract gave the A.F.L. union exclusive bargaining rights. Objection was raised because the pact would limit the exercise of discretion by public officers and give preferment to members of a particular organization. The court upheld this objection, but declared at the same time that collective dealings are an accomplished fact of modern industrial life and must be recognized in municipal relationships.

Two days after the decision was rendered, the A.F.L. local and the department signed a second contract incorporating every feature of the first except the objectionable exclusive bargaining provision. The new agreement specifies that the union may bargain for its members, but that other employees of the department retain the right to bargain on their own behalf either singly or collectively.

BONUSES IN CLEVELAND

Cleveland's J. F. Lincoln, whose celebrated system of incentive pay in his Lincoln Electric Co. (BW-Dec. 18'43,p100) has brought him wide attention and some squabbles with the Treasury Dept., distributed the customary \$3,000,000 in year-end pay to 1,100 workers last week.

Jack & Heintz, Inc., which vies with Lincoln for public interest in its methods of distributing employee benefits, paid between \$5,000,000 and \$6,500,000 to 8,800 "associates," \$50 for each month worked during the year and from \$500 to \$12,500 for "especially valuable" services. It matched last year's bonuses.



MUTUALLY HELPFUL

In a Manhattan jewelry shop the hires war veterans almost exclusively. Two discharged soldiers earn what they learn the lapidary art. The newly chosen trade is a sedentary one that requires skill rather than strength; hence it's a natural for wounded warriors. Their employer's hiring policy likewise is smart—particularly under the new draft setup.

Lincoln paid amounts ranging from \$50 for new workers to \$40,000 to those whose "contribution to the business was outstanding." Directors set the total amount; Lincoln divides it.

Average to employees was \$2.50 over base wages, with 90% of the total sum going to factory workers.

BET SUGAR COMPROMISE

Six Rocky Mountain beet sugar refining companies reached a compromise agreement with 8,000 workers, represented by the A.F.L. Sugar Refining Employees Union, at a regional war labor board hearing in Denver last week.

Overtime pay will start during the so-called fall "campaign" after 40 hours instead of 48 hours as formerly, and will be retroactive to last Aug. 1. In return for the overtime concession, the union dropped a demand for a 15¢-an-hour increase for hourly workers, and a \$25-a-month increase for those paid by the month.

The sugar factories work only three or four months yearly—this period of activity is the "campaign"—and under long-standing custom the standby crews, who do little to do most of the year, have worked 56-hour weeks during the harvest rush, with overtime starting at 48 hours.

Air Conditioning in long pants

BEFORE the war you probably thought of air conditioning as a luxury . . . something that entered into your choice of a theatre, restaurant or store . . . a source of comfort that you vaguely hoped to have some day in your place of work . . . or maybe even in your home.

SO DID MOST PEOPLE!

Manufacturers had the same idea. Only a few had discovered air conditioning as an efficient production tool . . . the creator of better working conditions . . . a way to greater profits.

Even the men and women of Carrier . . . the very ones who founded the air conditioning industry . . . had been told so often that they were in a luxury business that some of them had begun to believe it themselves.



THEN came the war. And with it stupendous demands upon American industry . . . demands that forced new techniques of high speed production. More and better weapons had to be furnished . . . and they couldn't be "too late."

Carrier . . . like thousands of other American companies . . .

took on new assignments, began to manufacture war materiel . . . things that had nothing to do with the air conditioning or refrigeration industries.

At the same time Carrier kept on telling all who would listen: *air conditioning will help you produce . . . better and faster.*

Then it happened!

Manufacturers all over the land accepted air conditioning. And what had been thought of as a luxury, proved actually to be a vital production asset.

Some day the whole exciting story can be told . . .

Carrier Air Conditioning in plants turning out airplane engines, keeping metal parts from expanding and contracting.

Carrier Air Conditioning in machine shops . . . making possible close tolerances in mass production.

Carrier Air Conditioning where delicate instruments are made



AIR CONDITIONING ★ REFRIGERATION

. . . assuring right temperatures, and keeping out dust and dirt.

Carrier Air Conditioning at the front in portable photographic laboratories . . . and Carrier Refrigeration protecting vital blood plasma.

Carrier Refrigeration . . . huge centrifugal machines helping turn out nylon for parachutes . . . high octane gasoline, synthetic rubber.

Carrier Refrigeration on many thousands of ships.



YES, it's a fascinating story . . . a story of an industry that went to war in knickers and came home in long pants . . . a luxury that became almost overnight a necessity.

But soon all this will be history. And, no matter how brilliant history may be, Americans do not linger long in the past.

So . . . let's look ahead!

Come Victory . . . Carrier air conditioning and refrigeration will turn from the service of war . . . a stronger and more useful instrument of peace . . . ready to team up with other manufacturers . . . to help provide better products and more jobs.

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*Frankly,
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in framing
my thoughts."*



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Ward Balks Again

Defiance of NWLB has a new twist, but maintenance of membership is still the root of Sewell Avery's opposition.

The hardy perennial, Montgomery Ward & Co. vs. the government of the United States, was in full bloom this week as Washington studied plans for obtaining Ward's compliance with a National War Labor Board ruling in a labor dispute that kept pickets patrolling in front of four Ward stores in Detroit.

• **Familiar Pattern**—The current "Ward situation" follows a pattern that is familiar to anyone who has followed the stormy labor relations attending the regime of Sewell Avery as Ward chief.

A C.I.O. union holding bargaining rights in the company's Detroit operations appealed to NWLB to settle a dispute after negotiations came to naught. NWLB recommended its standard compromises: wage increases within the limits of the stabilization regulations retroactive to the time the case was filed; arbitration of unsettled grievances; maintenance of membership; plus a number of other recommendations covering minor issues. The company rejected NWLB's award and the union struck.

• **New Technique**—However, one feature of the latest altercation seemed at first to reveal a new Avery technique. Formerly his firm would accept all of an NWLB award except the maintenance-of-membership provision.

This time the sparring started when Ward rejected the award in toto. NWLB, obviously delighted to center the fight on anything except the old maintenance-of-membership issue, went in swinging on the wage issue.

• **Avery's Shift**—But on the eve of the board's decision to send the case on to Economic Stabilization Director Fred M. Vinson for help in getting compliance, Avery pulled the rug out from under NWLB's publicity by announcing that he was making retroactive wage adjustments and objecting only to maintenance of membership. (Company statements repeated the familiar Avery tactic of telling the public that maintenance of membership is the closed shop.)

• **Miscalculation?**—Although Washington had not gathered full details on the Ward plan for making retroactive wage increases, it appeared that his strategy might have been miscalculated. NWLB's order provided retroactive pay increases to December, 1942. Avery's

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"Lady, you don't have to do that!"

There's no "heart trouble" in that appliance . . . it has an **EMERSON-ELECTRIC MOTOR**

Of course, not even the canniest woman shopper would take along a stethoscope when she went to buy a motor-driven electric appliance. But this much is true—what the *heart* is to the human body, the *motor* is to the appliance. That's why it is so important to make sure that the motor is strong and reliable—precision-built to give quiet, uninterrupted operation.

If the motor in an appliance is an Emerson-Electric you can be sure that it *will* give long, faithful service. Emerson-Electric Motors are made by the same organization that makes the famous Emerson-Electric Fans—many of which have been in service 25 years and longer!

If your postwar plans include the manufacture of motor-driven appliances or equipment, Emerson-Electric Motor Engineers will recommend the proper motors for your applications, without obligation.

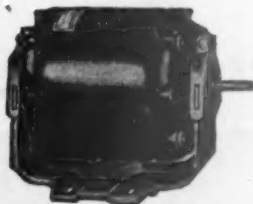
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For more than 54 years Emerson-Electric Motors have been providing dependable power for many of America's best-known home appliances, office machines and production tools, and helped to build the reputation of their makers.

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CREAM SEPARATORS
OFFICE MACHINES
PRODUCTION TOOLS**

EMERSON  **ELECTRIC**
MOTORS • FANS  APPLIANCES

promise to employees was to pay retroactively to September, 1943.

The date which he picked has never been approved by NWLB, and technically such an unapproved payment will be in violation of wage stabilization regulations and might not be allowed as a business expense for tax purposes.

• **Extra Precautions**—Whatever happens on that score, however, is certain to be overshadowed by more dramatic developments which at midweek appeared imminent. Another plant seizure followed by litigation seemed indicated, and it was being delayed only because the government wanted to be sure that, this time, a take-over would not develop into a fiasco.

The last Montgomery Ward plant seizure, which provided the nation with a picture of Avery being carried out of his office by two soldiers (BW-Apr. 29'44,p104), settled nothing because the Justice Dept. was not prepared to back up the seizure with court action.

• **Still Certified**—There, another local of the same union which struck in Detroit still holds certification as bargaining agency by virtue of a National Labor Relations Board poll. Although it struck last year and witnessed the government's take-over as an effort to liquidate the dispute, its desire for a contract was frustrated when the government quit the plant, unable to find legal authority for making NWLB's orders stick.

The Chicago properties, which were returned then to the company, are also involved in the present dispute because

the old NWLB order covering them has never been accepted by Ward.

• **C.I.O. Divided**—The Ward case threatens to start a serious fight within the C.I.O. All right-wing unions in that body are supporting the striking United Retail, Wholesale & Department Store Employees wholeheartedly. The pro-Communist organizations, led by Harry Bridges, stand for undeviating observance of the no-strike pledge. Result is that factional divisions within the C.I.O. have a new focus which threatens to provide an explosive issue.

Weirton in Front

Steel firm signs addendum to pact with independent union pledging wage rise consistent with Little Steel revision.

Moving quickly to fulfill its promise to be the first, or among the first, in the basic steel industry to approve wage increases ordered under the National War Labor Board's Little Steel formula decision on fringe issues (BW-Dec. 2'44,p16), the Weirton Steel Co. last week announced that it has signed a supplement to its contract with the Weirton Independent Union, Inc., to be effective as soon as revised rates are cleared by the Director of Economic Stabilization.

• **Negotiations at a Standstill**—Meanwhile, negotiations between the United

Steelworkers of America (C.I.O.) and the United States Steel Corp. were at an impasse, with the corporation protesting that no wage increase can be granted without a proportionate increase in the price of steel.

Last week the corporation was denied a review of the NWLB decision. But the board stipulated in its award that the increase shall not become effective if it necessitates a rise in steel prices or upsets the national stabilization program; therefore, the increase has not yet become an NWLB mandate. Economic Stabilization Director Fred M. Vinson and OPA Administrator Chester A. Bowles this week had the NWLB's decision under consideration, and a ruling clearing the way to the fringe raises (about 8¢ an hour) was believed imminent.

• **No Surprise**—Weirton's announcement jumping the gun on other companies in the industry was not unexpected. In the eight years that the C.I.O. has been active in the steel industry, Weirton has made a studious effort to anticipate wage changes by competitors under C.I.O. contract, and usually has been successful. Weirton has been the target for a long and bitter C.I.O. drive (BW-Aug. 26'44,p100). The unaffiliated union with which the supplemental agreement was signed has been under attack in NWLB proceedings and a contempt of court action in the Circuit Court of Appeals, Philadelphia. One of the allegations is that the union is company-dominated.

Recently when the W.I.U., Inc., petitioned for consideration of a request for approval of wage increases for its members, the regional war labor board refused to act as long as the company-union charge is before the courts. The C.I.O. union thereupon petitioned NWLB to include Weirton Steel employees in any benefits resulting from its Nov. 25 directive.

SCREEN EXTRAS WIN

Hollywood movie producers, whose labor troubles have been on the rise (BW-Dec. 16'44,p90), now must deal with a new union—the independent Screen Players Union, which will represent screen extras. The S.P.U. won out over the Screen Actors Guild (A.F.L.) this week in a National Labor Relations Board election, 1,451 to 456. Approximately 3,300 extras were eligible to vote.

The election was the outcome of a split within the Screen Actors Guild. Extras contended that they were not being given adequate representation, and that name players were dominating the union. They subsequently broke off from the parent union.

One of the first moves of the S.P.U.



Saying it with signs, two regional war labor board members (right to left), Don Gallagher, chairman of the board's C.I.O. members, and Morris Field, vice-chairman, help push the Montgomery Ward-NWLB issue to a head by joining Barney Hopkins (left), Michigan C.I.O. secretary on a Detroit picket line.

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Navigator Thurl Ravenscroft of TWA

**"used almost
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on all transoceanic flights"

Ask any navigator, whose calculations have controlled the fate of trackless transoceanic flights, how he feels about aerial sextants. Invariably he'll answer that a sextant is more than an instrument of precise measurement. It's something you trust — or don't. It has to do with air-instinct. Something known only to men who know the skies.

Ed Bolton, chief navigator of the far flung routes of the TWA Intercontinental Division says, "Our navigators use Fairchild Aerial Sextants almost exclusively on all transoceanic flights. They are dependable, rugged, compact, accurate."

And rightfully so. For Fairchild Aerial Sextants were developed from a basic design suggested by the U. S. Army Air Force to be compact, lightweight, easily handled . . . with a

bubble that remains 'stable' . . . with automatic recording of consecutive sights during the entire sighting cycle of optional duration.

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RETAIL STORES BUILD CUSTOMER GOOD WILL with- **HYGEAIRE** Reg. U. S. Pat. Off. ULTRAVIOLET GERMICIDAL RADIATION SYSTEM

A few months ago the Brockley Market, Lakewood, Ohio, remodeled the interior of its store. Along with other improvements a Hygeaire unit was installed to disinfect the air. In the words of the proprietor "no other item used in the store remodeling has aroused so much interest nor created so much customer good-will."

There's a thought here for every business handling foods—packing houses, markets, hotels and restaurants—something to keep in mind when planning for the competitive years that lie ahead.

Hygeaire destroys air-borne germs by the projection of ultra-violet radiation of the correct wave length. Just mount it on wall or ceiling, above eye level, and connect it to your lighting circuit. Silently and inexpensively it provides an air purity equivalent to summer living conditions—protects employees and customers against air-borne germ contagion.

For substantiation of these claims, write or 'phone your nearest General Electric Supply Corporation or Graybar Electric Company office (located in all principal cities).

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AMERICAN STERILIZER COMPANY

ESTABLISHED 1894

World's Largest Producer of Hospital and Clinical Sterilizers



is expected to be a request for increase in pay for its members (BW—Dec. 10, p107).

S.P.U. may try to affiliate with A.F.L. While the attempt—if made—might be spurned because of S.P.U.'s split with an established A.F.L. union, many in the studios believe the new union would be welcomed only to insure that neither C.I.O. independents gain an increased foothold in the studios.

Controls for Miami

NWLB strikes at black market in common labor, orders stabilization rules extended to employers of eight or less.

All employers in the greater Miami (Fla.) area except those hiring domestic help have been brought under National War Labor Board wage controls in a new order designed to curb a common black market in the area.

• **Exemptions Revoked**—The order revoked exemptions from wage stabilization.



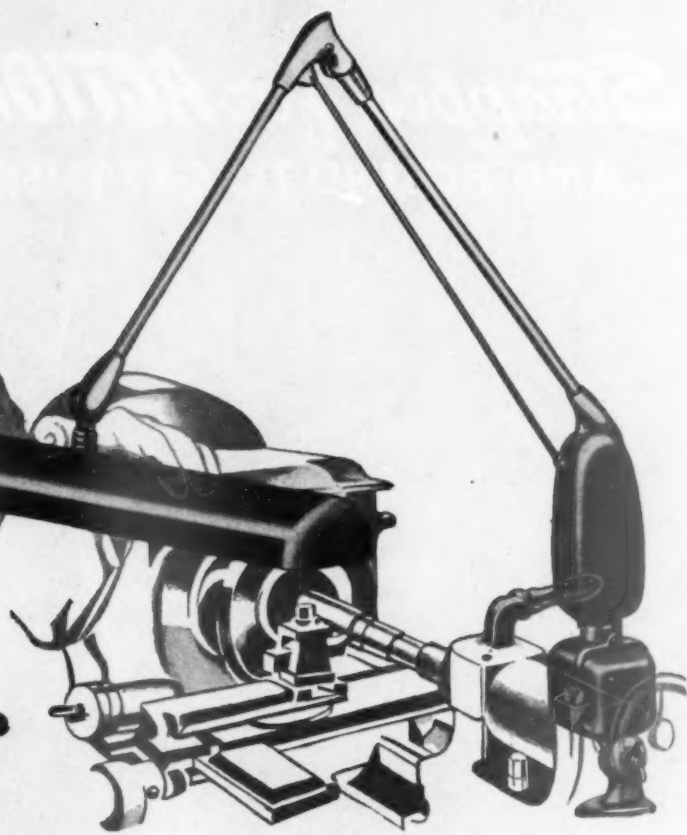
FOR METAL FACES

Their wholesale use in cleaning metal connecting rods for Superfortre bomber engines helps explain the retail shortage of facial cleansing tissues. For this one operation at Detroit's Graham-Paige plant more than 250,000 go to war work each month. And besides their shining tasks they protect highly polished bearing surfaces from the acids of fingerprints.

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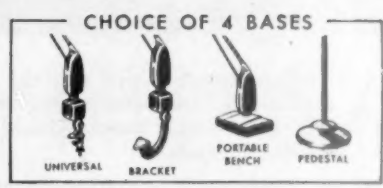
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Will you be the one to discover this new DAZOR *Floating* LAMP for your plant?



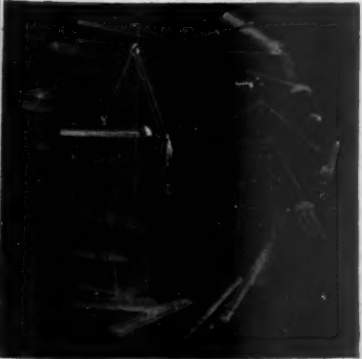
Think of a lamp that *floats* the light exactly where it's wanted, as easily as a man can move his arm...a lamp that *stays put* without locking... that brings new efficiency to *localized* lighting, thus increasing production and lowering costs.



LOOK at the Dazor *Floating* Lamp because it's new and different. But *look into* its installation for the advantages it offers you: increased output, employee time saved, improved accuracy and safety.

The object of localized illumination is to have *enough* light and *healthful* light at the point of work. The Dazor *Floating* Lamp provides high intensity lighting,

Moves freely in any direction



plus new *flexibility* for the individual job and operator.

Each machine tool, assembly line, inspection bench or drafting board has its own problem of illuminating the working area. With a slight touch, an employee *floats* the Dazor Lamp to any position desired. He can raise, lower, push, pull or turn it—the light *stays* where it is placed. No screws to tighten! A single spring force acting through an ingenious linkage and arm parallelogram balances the lamp arm at any point chosen. Both fluorescent and incandescent lamps are available, with an option of 4 bases.

In thousands of industrial and govern-

mental operations, Dazor *Floating* Lamps are today speeding wartime production, curtailing spoilage, relieving fatigue, raising morale. Will these factors be any less important tomorrow? Because lighting improvement is an executive responsibility, we invite you to investigate Dazor *Floating* Lamps now. They are distributed by electrical wholesalers, carefully selected for ability to serve you.



Call your electrical wholesale supplier or write us for the names of our distributors in your locality. Upon request for Booklet "B" we will also send this 16-page illustrated Brochure describing Dazor models, features and applications.

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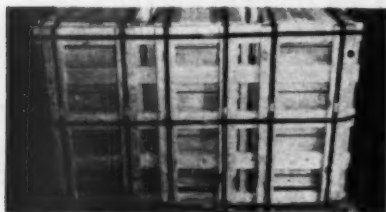
...AND "BOUND TO GET THERE"



AN endless stream of vital materiel . . . from gun carriages and planes, to skidloads of food and medical supplies . . . speeds across the country in freight cars, doubly protected and firmly braced with Acme Steelstrap and Unit-Load Bands.

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tion regulations formerly enjoyed by employers of eight persons or less; approved a new common labor rate of 55¢ for certain essential civilian industries; and reaffirmed the NWLB-approved 50¢ common labor rate for nonessential industries.

M. T. Van Hecke, chairman of the fourth regional war labor board in Atlanta, said the order will freeze at present levels wages paid by small employers to present employees, and will require them to hire new employees at rates legally established under the wage stabilization program.

• **Paid 75¢ to \$1**—Previously, these employers, who make up the bulk of industry in the area, had been exempt, and had been paying from 75¢ to \$1 an hour for common labor, with transportation to and from the job furnished on many occasions.

Larger employers protested that common labor was being drained away from them and that they were being forced to pay illegal rates in competition.

• **Rollback Ordered**—Other provisions of the NWLB order require large employers who have paid excessive rates to roll back to NWLB-approved levels any illegal wages being paid to present employees. Unless they do so within 30 days, they will be subject to criminal and civil penalties.

Labor members of both NWLB and the regional board objected to designation of the new 55¢-an-hour rate instead of a higher rate, and also to the rollback of higher pay levels.

SMALL BUSINESS IN COLLEGE

Veterans and others who desire to own and operate small businesses will be offered special training by Western Reserve University, Cleveland. An eight-week course, limited to 20 students, will begin in January at Cleveland College, the university's downtown center, and be repeated as long as the demand lasts.

In the absence of suitable textbooks, the plan of instruction will be for each student to analyze his own qualifications for the enterprise in which he may be interested, then interview successful businessmen, and make the information he gathers the subject for class discussion. Lectures by businessmen, government officials, and trade association leaders will supplement this work.

The course, believed to be unique, will be conducted by Prof. Kenneth Lawyer, associate professor of marketing, who aided a state-wide training program in Illinois in 1940 and 1941 in which 6,800 merchants and their employees studied ways to avoid the high mortality hazards of small business establishments.

THE WAR AND BUSINESS ABROAD

BUSINESS WEEK

SEPTEMBER 23, 1944



General von Rundstedt's spectacular counterblow along the Belgium-Luxembourg front will probably prove—despite initial successes—to be comparable in many ways with Ludendorff's last brilliant but futile German offensives in the spring and summer of 1918.

If Allied forces are able to stem the attack quickly and to isolate the crack Nazi divisions which are involved, they will have improved their chances for a winter showdown along the Rhine.

If they are slow in halting the enemy and are forced to draw heavily on reserves from neighboring fronts, it will be spring before men and supplies can be reorganized for the battle of the Ruhr.

The Germans have shrewdly timed their drive to coincide with dangerous Allied frictions which seriously threaten to interfere with effective coordination of two-front fighting.

Russian activity along the Warsaw line has been tacitly admitted by Moscow to have been delayed pending a clear settlement of Polish issues.

Stalin—now undoubtedly under tremendous Anglo-U. S. pressure to resume operations along Germany's eastern front—will probably make complete and public Allied settlement of the Polish boundary and government issues a prerequisite of any new offensive.

This being the case, it should surprise no one—especially if the Nazi counterattack is not quickly broken—if London and Washington forced the Polish government-in-exile to choose between coming to terms with the Lublin Poles or losing the backing of the western powers.

Russia is in a particularly strong bargaining position, in contrast with London and—to a lesser degree—Washington.

On the military front, Soviet troops, though comparatively inactive in Poland, have liberated Rumania, Bulgaria, much of Hungary and Yugoslavia, and a small section of Czechoslovakia.

If they succeed in reaching Vienna—not much more than 50 miles away now—they threaten Hitler's last thin supply routes to the Axis front in Italy.

On the diplomatic front, Stalin has a voluntary agreement with the Czechs; has managed to keep order in Helsinki, Bucharest, Sofia, and Belgrade while establishing friendly governments there; and now has completed the master coup—a 20-year mutual aid agreement with France which prevents the formation of a western European bloc antagonistic to Russia.

London, on the other hand, has touched a momentary low of diplomatic prestige. It is in hot water in Greece and Italy. It faces the prospect that the U. S. is preparing to force a Franco showdown in Spain—in opposition to Churchill's wishes. It is threatened with Empire difficulties in Palestine, India, and the Far Eastern colonies.

Washington is not likely to come to the rescue of London in the impasses which have developed in either Greece or Poland.

The U. S. policy on Poland has been restated:

We are not going to be concerned directly with Polish affairs, and we shall use nothing more than persuasion to bring about a settlement.

The U. S. will agree to a change in Polish boundaries as soon as it is agreed to by the Russians, the British, and the Polish government.

Among pending appointments, Ben Cohen is expected to be brought into the

THE WAR AND BUSINESS ABROAD (Continued)

BUSINESS WEEK
DECEMBER 23, 1944

State Dept. as legal adviser. He's already legal adviser to Byrnes, and took an active part in the Dumbarton Oaks talks.

Also anticipated is the nomination of George Messersmith—present ambassador to Mexico—as ambassador to Turkey, and later to be sent to Germany as U. S. high commissioner.

Don't miss the significance of the appointment of Laurence Steinhardt, former ambassador to Turkey, as new U. S. ambassador to the Czechoslovakian government, still exiled in London.

Steinhardt, once U. S. ambassador in Moscow, has undoubtedly been selected for the important Czech post because Prague is expected to become the most important U. S. listening post in Russian-dominated eastern Europe.

Individual U. S. companies are making important new foreign contracts despite continued international diplomatic bickering.

Representatives of J. P. Morgan, Chase National Bank, Guaranty Trust Co., and National City Bank have arrived in Paris to resume branch operations in the French capital.

E. R. Squibb & Sons is drawing up blueprints for factory expansion in Argentina. The new plant will produce medicinal products from animal glands (which have been exported unprocessed at the rate of 650 tons a year), and will sell both in Argentina and in other Latin-American markets.

In New York, the Irish Linen Guild reports that the first flax released by the British government for civilian export has arrived in the U. S. and small but regular shipments are expected in 1945.

In Caracas, the Venezuelan government announces that the J. G. White Engineering Corp., New York, has been awarded a contract to build a railroad to connect the cattle-producing region of the country with the metropolitan centers.

U. S. tea exporters have been advised by the Foreign Economic Administration that modest surplus supplies of tea are now available for shipment—on a quota basis—to Latin-American countries.

Businesses in other countries are no less aggressive in developing postwar plans, many of which involve the U. S.

Dutch business leaders, working through the Netherlands Chamber of Commerce headquarters in New York, are pushing a plan to make Holland the European operational or distribution center for American companies, particularly those that do not wish to return to Germany after the war.

Brazilian business leaders are demanding that the government place contracts immediately for the modernization and enlargement of port handling facilities at Rio de Janeiro.

U. S. technicians already in Brazil may be employed by the Cotton Spinners' & Weavers' Syndicate of Sao Paulo to help build a factory to produce automatic looms.

Leaders in the British Columbia construction industry have just shipped to Britain a sample, five-room, prefabricated plywood house which they say they can supply in quantities up to 100,000 in time to help meet Britain's current housing crisis.

The house is composed of a living room, kitchen, two bedrooms, and bathroom.

Alarm in Britain

Business expresses fear that government stipulations in war plant leases mean wider postwar industrial controls.

LONDON—Because Britain's original plan for the disposal of more than 1,000 war factories provided for occupancy only at the end of the war, prospects of a longer war in Europe than had been expected several months ago will have no effect on London's carefully drawn pattern for leasing these plants to industrialists for peacetime use.

• **Three Basic Conditions**—Actually, negotiations for the renting of the plants are progressing rapidly, with the government adhering rigidly to this basic formula:

(1) Leases will run for an initial ten-year period, at rents which will be based on 1939 values.

(2) Applicants must intend to operate industries which a government committee agrees will turn out products adapted to British requirements or especially fitted to export demand.

(3) Applicants must avoid lines in which Britain already has surplus production (mainly textiles).

• **Peacetime Control Feared**—Despite the brisk demand at the Board of Trade headquarters for information on specific plants, British business as a whole has expressed concern over the government's active participation in determining what industries will be allowed to lease the wartime plants, as well as over London's sudden decision two months ago that premises would be leased, not sold.

Some industrial leaders insist that this is merely a first step toward government control over industry in peacetime, or at least a move to implement the trend toward over-all economic planning in a way which might profoundly affect British industries after the war.

• **Diversification Is Aim**—The conditions that applicants must meet in the lease program are part of a plan for reestablishment of British domestic and foreign economy on a sound economic basis.

For one thing, the government is eager to see that certain prewar "depression" areas, now busy with war work, do not lapse back into their prewar state of unemployment. Behind

the government thinking is a conviction that these areas—now called "development areas" and embracing such districts as South Wales, Durham, the Clyde (Glasgow), and Lancashire (Manchester)—should not be dependent upon single industries (coal, or shipbuilding, or textiles) that are especially susceptible to depressions, but should have a diversification of manufacture.

• **Shortage Lines Preferred**—Another consideration will be whether the applicant intends to produce a commodity with a high priority according to schedules now being developed by special commissions which are studying modernization schemes for both domestic business and the export trade.

With limited materials and manpower after the war, the government will not allow a manufacturer to exercise a free hand in producing anything he wishes. He must turn out products badly needed within Britain, or that will find an immediate market abroad. This announced intention of the authorities has bolstered the arguments of

groups who resent government interference in industrial planning.

• **Standby for Defense**—On top of these requirements, the government will investigate three other matters: (1) how well the applicant will be able to maintain the plant in a condition which would permit it to be switched back quickly to war work in case of a national emergency; (2) the ability to make efficient use of the premises with a minimum of alteration (to avoid delays which might be caused by running into conflict with the mass of rehabilitation which will be necessary in England as soon as the war ends); (3) the needs for town and country planning on a national scale.

Finally, full consideration will be given to the number of workers that the proposed industry will absorb effectively.

• **Concentration Discouraged**—The government is especially interested in seeing that British industry does not concentrate too heavily around London. With the biggest consumer market in the Empire on one's doorstep, it is a

MOUNTAIN PRODUCTION

Built and assembled with machine tools largely American-made, Red Army trucks roll from the Urals branch factory of Moscow's famous Stalin automobile plant—further evidence of increasing production in Russia's wartime haven (BW—Nov. 11'44,p21). Shifted to the Urals when Moscow was threatened by the advance of the German army, the truck plant now has an assembly line (below) in the Detroit pattern, is manned by both men and women mechanics. Vitally necessary as Russia's offensive lengthens supply lines, the trucks—equipped with only one headlight—



roll on tires from a plant the Nazis reputedly "destroyed"—the important Yaroslavl rubber factory.



temptation to settle in or near its great-est metropolis.

Most of the government's leaseable factories fortunately are not in the London area, and their continued use after the war will tend to discourage further concentration around the capital.

To the extent that existing government factories in the development areas are insufficient to secure a proper balance of industry, the government will give priority to these areas in granting licenses for building new factories and extensions of existing ones. The government will also continue and extend its policy of erecting in development areas factories for sale or lease. It likewise will bear in mind these areas in placing orders of all kinds.

Major Oil Test

U. S. company will explore huge tract in Paraguay, with long contract if oil is found. Equipment is being shipped.

BUENOS AIRES—Union Oil Co. of California is moving technicians and equipment into Paraguay to speed one of the biggest wildcatting operations undertaken in this hemisphere.

Early in October, President Higinio Morinigo of Paraguay signed the decree turning over the Chaco area to prospecting (map). Union Oil Co. geologists have completed surveys indicating the likelihood of oil existing in the 60,000,000-acre area and are now ready to begin systematic exploration to determine producing areas.

• **Ten-Year Exploration**—The presidential decree clearly defines the pattern which development of the oil region will follow.

From Jan. 1, 1945, for a period of ten years, the Chaco is reserved for Union Oil Co. explorations. The company has made its first payment on the concession.

Rental has been set at a rate involving an annual sum of around \$75,000 to be reduced as exploration proceeds and rejected acreage is returned to the government. The contractor is authorized to split the territory into separate wildcatting sections of 25,000 acres each within 18 months, with special additional fees during the drilling periods.

• **Longer Drilling Period**—After finding oil, the contractor may develop the wells for a period of 35 years, which may be extended, but not beyond 60 years from the date of the decree.

During the period of oil extraction an annual operating fee of about 15¢ an acre is charged. Royalty to the gov-

ernment is established on the basis of the value of average daily output, adjusted monthly:

| Daily Average | % Royalty |
|--------------------------|-----------|
| 1,000-5,000 bbl. | 12 |
| 5,001-10,000 bbl. | 13½ |
| 10,001 bbl. or more..... | 15 |

At the end of the fifteenth year, this royalty will be set at 15% for all oil produced. For a period of 35 years, no import or export duties will be assessed on equipment imported or on oil exported. In addition, the company is free to install storage facilities, pipelines, refineries, and other equipment provided these can also be useful to other public services throughout the territory.

• **Year's Tests Assured**—Finally, the decree permits the Union Oil Co. to leave Paraguay, with equipment, if after the first year of prospecting it should find that further exploration of the area is unwarranted.

To thousands of Paraguayans, who for three years in the thirties fought Bolivia for the area at great cost in lives and money, the Gran Chaco has until now seemed a worthless asset.

The oil development scheme has particular immediate interest because for months the water level of the Parana and Paraguay rivers has been so low that movement of supplies in the country has been seriously curtailed, and stocks of motor fuel exhausted. (Argentine shipments fell to 1,300,000 gal. in 1942, 322,000 gal. in 1943, and to less than 130,000 gal. in the first six months of this year.) Discovery of even small producing wells in the Chaco would soon relieve the country of dependence on imports for its supplies of oil.



The Gran Chaco, won by Paraguay in a long costly war with Bolivia, has been turned over to the Union Oil Co. for exploration and development.

Cattle in Brazil

World's fifth ranking beef exporter, country has long-range program to improve herds and to compete for first place.

SAO PAULO—Brazil is aiming to justify its claim to being the great cattle country of the future.

Today, with 41,000,000 cattle, Brazil ranks after India, the United States, and the Soviet Union in size of herds, and with 25,000,000 hogs ranks after China, the United States, and the U.S.S.R. in the size of swine herds.

• **Haphazard Progress**—Brazil is also the world's fifth ranking producer and exporter of beef, and the total value of its animal production is placed at around \$200,000,000—equal to about 40% of total farm output.

But progress in cattle raising and breeding has been slow and haphazard in the past. Now, Brazil is faced with an actual meat shortage and depleted herds. So the Ministry of Agriculture is drafting a long-range program to correct current difficulties and pave the way for Brazilian competition for leadership in world cattle production.

• **Demand Is Greater**—Chief reasons for Brazil's meat shortage now are: (1) excessive slaughter for export to United Nations fighters, (2) stationary condition of herds, (3) increases in local population and consumption, (4) increased slaughter in the northern area because usual supplies from the southern sections have been cut off by transport difficulties, and (5) speculation in pedigree cattle for breeding. In addition, the drought this year seriously affected the condition of cattle throughout Brazil.

Higher prices for export meat have resulted in a rise of nearly 20% in slaughtering. Exports have risen nearly 100% in volume and about 350% in value. (Exports in 1942 of \$36,000,000 put meat in third place on the export lists.)

• **To Expand Program**—The Brazilian Ministry of Agriculture—which already maintains services for inspecting and inoculating cattle against tuberculosis, foot and mouth, and other diseases, and its own pedigree breeding stations for improving herds, and purchases foreign studs for resale at cost—is now preparing to put meat production on a sounder basis.

Plans include the formation of a new native breed, intensification of official instruction in cattle breeding, installation of national packing houses in cattle raising zones, and the granting of more



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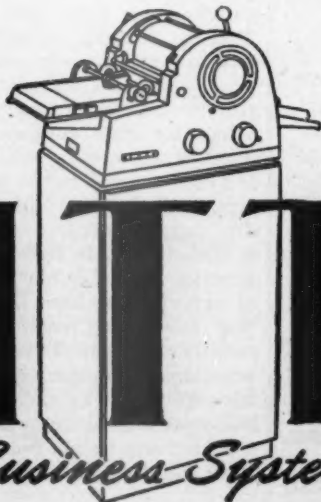
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loans to stock breeders. Last year loans totaled \$12,000,000, or twelve times the annual sums borrowed before the war.

• **Equipment Needed**—Building of inland packing houses will require considerable imports of refrigerating apparatus from the United States. The government plans to extend quick freezing of meat in preference to the traditional slow freezing or chilling for export.

CANADA

Dumping Banned

Canadian customs getting ready to slap duty on low-cost surplus war goods that private buyers bring across border.

OTTAWA—Canadian customs authorities are getting ready to crack down on dumping of surplus U. S. war goods into Canada by speculators—if and when it occurs. They expect that it may happen soon.

• **Border Wide Open**—Ottawa and Washington have an understanding that dumping is to be mutually avoided, but Ottawa officials recognize that this can govern only federal agencies. It doesn't stop private buyers from selling to Canada.

Having studied prices at which surplus goods are selling below the border, Canadian manufacturers of similar commodities have been warning Ottawa that these goods could be bought and marketed in Canada well below prices for domestic products.

• **Will Be Customs Barrier**—To stop this, if it starts, Ottawa will revive the antidumping duties of the Canadian customs laws. These were suspended in 1942 to facilitate imports of needed civilian goods for sale under Canadian price ceilings. Under the regulations, customs authorities have power to raise values for duty purposes above the prices at which the goods are imported.

The duties will not be imposed, however, until dumping injurious to Canadian interests occurs.

• **Marketing Rule Eased**—Customs authorities have also removed a number of import items from the requirement that they carry markings identifying country of origin. These requirements were imposed to mark goods from low-labor-cost countries such as Japan, Italy, and some central European sources.

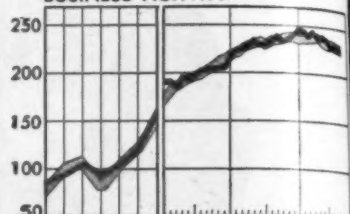
As imports are not now coming from these countries, the regulation is eased

TREND OF BUSINESS CANADA AND U.S.A.

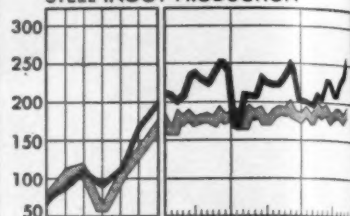
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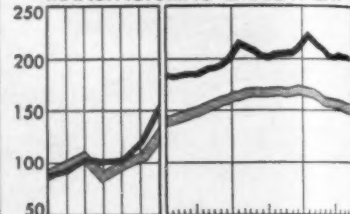
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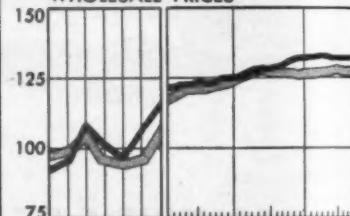
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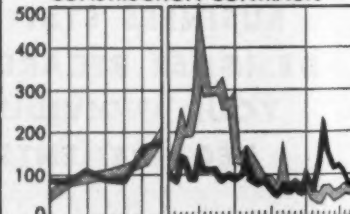
MANUFACTURING EMPLOYMENT



WHOLESALE PRICES



CONSTRUCTION CONTRACTS



NATIONAL INCOME



© BUSINESS WEEK

expedite checking and reporting by customs officers. Principal commodities affected are various kinds of glass, bicycle parts, zipper and other fasteners, toilet combs, and threads.

CO-OP TAX STUDY NEAR

The royal commission recently named by Canadian Finance Minister J. L. Ilsley to inquire into the status of co-operative organizations in relation to their liability for federal taxation (BW Nov. 4'44, p116) will conduct public hearings across Canada, commencing Jan. 15, in Vancouver, B. C.

The commission expects to wind up its hearings by March or April, and to give its report in Ilsley's hands before he presents his 1945-46 budget to parliament.

Business organizations such as the Canadian Chamber of Commerce, Retail Merchants Assn., and other trade groups will present briefs in favor of equity tax treatment between regular businesses and co-op competitors. Speed with which the commission will report is attributed to Ilsley, and is taken as an indication that Ottawa is looking forward to obtaining revenue from the co-ops during the next budget year.

UNRRA BIDS PLANNED

Canadian Mutual Aid Administration officials are preparing to ask for bids on the supply of a wide range of goods for the United Nations Relief & Rehabilitation Administration.

Among the orders will be some for steam and other portable power units, railroad cars, farm machinery, and tools, binder twine, canned meats, fish and other foods, clothing and textiles, and paper bags. Recently, arrangements were made for placing orders for clothing amounting to \$6,000,000 in Canada.

Canada's UNRRA quota runs to \$77,000,000, and under present plans 90% of each country's contribution will be spent at home.

C.C.F. OFFERS BONDS

Saskatchewan's new provincial Co-operative Commonwealth Federation government is asking the people of the province to invest in industrial enterprises which it is launching in competition with private interests (BW-Nov. 18'44, p116).

Provincial Treasurer C. M. Fines is offering within the province a \$1,000,000 issue of industrial development 10-yr. bonds carrying 3% interest, the proceeds to be used to finance government-owned woolen mills, a fish-packing plant, and other industries.

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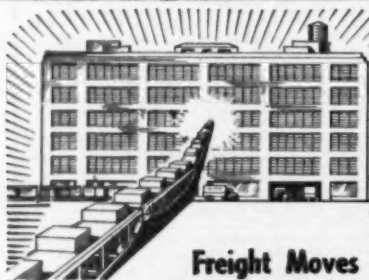
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THE MARKETS

(FINANCE SECTION—PAGE 74)

Despite increasing Wall Street warnings that the rally in rail stocks was assuming a too rapid and spectacular tempo, particularly in the absence of similar buying interest in nonrail shares, traders opened New York Stock Exchange proceedings this week by bidding for the carrier issues at an even more frenzied pace.

● **Hit Another Peak**—By the close of the market on Tuesday, the Dow-Jones rail stock price index had added another seven-year peak to the string of new highs in recent weeks.

By Tuesday, the number of December million-share daily sessions on the New York Stock Exchange had stretched to thirteen. And many of the traders' current favorite rail issues had been pushed up \$3 to \$16 above last week's lows to levels 50% to 132% above their 1944 lows.

● **Then Buying Slows**—On Wednesday, however, Big Board proceedings soon showed plenty of evidence that traders were reappraising the situation more carefully. Profit-taking on a considerable scale got under way, there was a definite absence of the avid buying seen earlier in the week, and prices started to sag quite sharply. Also, attempts made to rally the market at various times during Wednesday's trading session evoked no really enthusiastic response.

Wall Street's bullish elements think Wednesday's weakness isn't alarming but merely the start of a long-overdue period of consolidation that should soon provide the market with a sounder foundation on which to base another advance.

● **Opinions Vary**—This group doesn't think that the November-December rise has been mainly due to blind specula-

tive buying. Instead, it is ascribed as arising out of the indications of a longer war, since this would mean probably another year of satisfactory earnings, more time for reconversion plans, further accumulations of large savings by individuals and corporations, additions to the present huge pentup demand for consumer goods, and an even larger federal debt, with its inflationary implications, than was earlier expected.

Others, however, aren't quite that sanguine, as indicated, for one thing, by the building up of an already large short interest to around the 1,436,000-share level at the close of last month, the largest that has been reported since June, 1933.

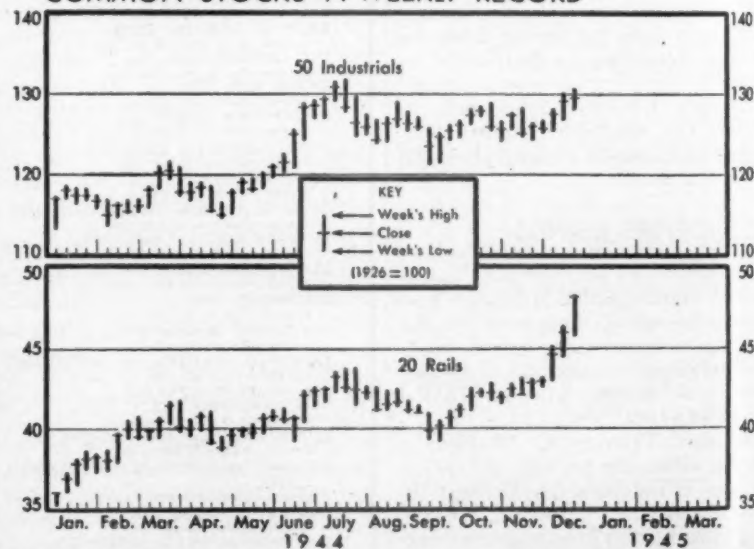
● **Clear Sailing?**—This group agrees that the followers of the famous Dow theory have received the signals that signify, under that "system," that the stock market should have clear sailing ahead of it for a time at least. However, there are many disbelievers, particularly with the world at war and this country operating under the tightest economic controls it has ever been subjected to, and this group isn't sure that everything is going to work out on schedule.

Security Price Averages

| | This Week | Week Ago | Month Ago | Year Ago |
|----------------|-----------|----------|-----------|----------|
| Stocks | | | | |
| Industrial ... | 129.6 | 129.2 | 126.1 | 115.2 |
| Railroad | 48.3 | 46.0 | 42.9 | 35.2 |
| Utility | 55.4 | 55.0 | 54.4 | 49.3 |
| Bonds | | | | |
| Industrial ... | 120.9 | 120.6 | 120.6 | 119.2 |
| Railroad | 113.4 | 113.2 | 111.1 | 102.2 |
| Utility | 117.1 | 116.7 | 116.6 | 115.1 |

Data: Standard & Poor's Corp.

COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

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THE TRADING POST

Jobs in the Transition

Almost from the day when the national defense program was inaugurated we have heard talk about the danger of widespread and prolonged unemployment at the end of the war. Some have felt on the unemployment that followed the other war and argued that, because the present program is so much bigger, in dollars and manpower, conditions are certain to be that much worse when military demands are cut off.

There appears to be general agreement that any long-range program to maintain a high level of employment will depend, not on industry or government alone, but on the realization of all concerned that management, government, and labor must cooperate to create an atmosphere within which we can maintain a high level of production.

But no long-range program can actually be put into action until the transition period has ended, and it is the transition that now worries the average war worker. Not even the most optimistic believes that we can shift from a nation at war to one at peace without some temporary unemployment. But there appears to be no valid ground for the belief that serious unemployment just, of necessity, follow the war.

* * *

In the first place, we are better prepared to face the known problems than we ever have been in the past. Unemployment insurance benefits are available for those who are temporarily out of jobs. Savings of the American people are at or near the 100-billion-dollar mark, a figure never dreamed of when conversion difficulties last confronted us. Net working capital of American corporations was reported in excess of \$100 billions as of last June 30. This also is a new peak.

Then, too, there has been much serious study of means to make the transition as short as possible, with the least possible disruption of the lives of workers and their families. Surveys such as those of the Committee for Economic Development have helped to clarify the size and importance of the job that must be done. And, it must be remembered, there was no C.E.D., or anything resembling it, on the job in 1918 to turn private industry into advance planning for productive job opportunities.

Because so much of the war production program has centered in the nation's industrial plants, the greatest hazards of reconversion would seem to be

located there, too. I know that reconversion talk is not being encouraged right now, because management and labor have been asked by military leaders to step up production on certain critical items, but reconversion is inevitable and the average worker cannot help wondering how it will affect him.

* * *

In this connection, the National Assn. of Manufacturers recently reported a survey of some 2,000 of its members. The report, submitted by William P. Witherow, chairman of its executive committee, seems to demonstrate that reconversion can be accomplished with fewer dislocations than most of us had believed possible.

To quote Mr. Witherow:

Mr. and Mrs. War Worker, this survey is evidence enough that management is not letting its postwar planning slide, but is doing its level best to see that there will be peacetime jobs for you.

This survey indicates that postwar employment in manufacturing industry will exceed the prewar level by 30%. It shows, as well, that even at the lowest employment level of transition it will not fall below the 1939 level.

But that isn't all. N.A.M.'s survey has laid the specter of a prolonged transition period of unemployment.

It indicates that 61% of manufacturing industry—most of it in war work—says that it will be able to start peace production the very day it receives the signal, and 49% will be able to swing over into full production that same day.

That an additional 27% of industry will be able to resume civilian production within four weeks after the "green light" goes on, and an additional 17% will reach full production within that period.

That 95% of all industry can complete reconversion within eight weeks, and 76% of the firms can reach peak production in that period.

Obviously, there will be some unemployment during the shift from war to peace, but on the basis of these judgments it should be neither serious nor long-lived. According to the survey, within four weeks after reconversion begins, 66% of manufacturing industry can be geared to full-scale employment.

If the transition can be effected as rapidly as these figures indicate, there is reassurance for the war worker who has been restless because of fear of prolonged reconversion unemployment, and encouragement for him to stay on the job at a time when new production goals are sought. And rapid transition should help to speed attainment of the long-range objective of a high level of employment in the postwar years. W.C.

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THE TREND

FOOLPROOF OR FOOLHARDY?

The proposal for a new kind of national budget presented this week by the war contracts subcommittee of the Senate Military Affairs Committee should easily fulfill its avowed purpose of "stimulating discussion." More than that, it is a blunt attack on the fundamental problem of government's role in attaining a full-employment economy that might well become the Administration's postwar program.

- The suggestion is for the President's annual budget message to estimate for Congress the volume of national output (or expenditure) required for full employment as against the volume actually to be expected from investment, consumption, and nonfederal government activity. If expected gross output (or expenditure) is below the "full employment" level, the President is to recommend (1) stimuli to nonfederal expenditure (or output), and, if these are deemed insufficient, then (2) a federal program of expenditure. A new joint congressional committee is to consider this annual national budget.

The usual objection of free enterprise economics to such a typical New Deal formulation is that government intervention in the economy itself tends in general to constrict the private forces of investment, thereby accentuating any long-range "gap" between the required and probable private output.

However, just as the national budget proponents recognize the possible danger to our institutions in a continually expanding role of government and would prefer steps to encourage private business to carry the entire full-employment load, so also do most businessmen now agree that the course of economic events cannot always be permitted to run unchecked. As Gov. Dewey put it in the campaign: "We are never again going to submit to mass unemployment. Whether we like it or not, and regardless of the party in power, government is committed to some degree of economic direction. If there are not sufficient private jobs, then government must create additional job opportunities."

- Having agreed on trying to avoid both mass unemployment and the replacement of private enterprise by government, the problem comes down to one of degree. Economic theory gives no clear-cut general answer to the question of whether, in the long run, government investment tends to inhibit or release private investment. Each side of the economic argument, of course, tends to minimize one, but cannot completely deny both of the two dangers—mass unemployment, on the one hand; governmental replacement of free enterprise on the other. And so the argument often boils down to which is worse, or which is more probable.

Our problem—in what degree we should look to government-created jobs for full employment—breaks into

several parts. To begin with, when should the government wheels be set turning—when some volume of unemployment which we regard as dangerous is in prospect, upon us, or already exceeded? More important, what volume of unemployment shall we tolerate before government investment goes into action—three, six, nine, or twelve million, say?

Such questions arise even before we come to such a comprehensive or grandiose scheme as the proposed national budget. They have to be faced in deciding whether to set out tax plans to balance a normal federal budget at full employment levels of national income, at "high-level" employment, or at some prospective lower average level of employment. Similarly, they have to be faced in programing regular public works expenditures. And so on.

- Such examples, however, suggest another part of the problem—whether we wish to start out with certain assumed limits on the government's role. For example, the British White Paper on employment policy (BW-Aug.1944,p120) outlines a system of compensatory government activity—adjusting public works, taxes, government purchases, interest rates, and other measures to lower the peaks and fill in the valleys of the business curve. This system starts on the assumption that the public debt will be held stable and wages and prices kept in balance. However, we must also decide whether we shall hold to the original limits on the government's rule if such a compensatory system fails to hold unemployment below any danger level we may have projected.

- The national budget proposal raises some questions on a purely technical level. Can government forecast business at the start of each year? (We may or may not agree to rely on such predictions, but the extensive additional information required for them would, in any case, be helpful for private or official use—on business' investment plans, on consumer spending habits, on private employment expectations.) Also, if we accept the fact that the government may have to step in at some level of unemployment, it is obvious that advance-planning of its public works or other measures is necessary. Finally, if we place any initial limits on government's job-creating role, there may be some question as to whether such a program could work.

But the technical considerations alone cannot decide the larger question for business and the nation—how far we shall rest on government for a full employment economy. That question of degree business must soon decide—the sooner now that the national budget idea has crystallized the issue.

The Editors of Business Week

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